For planning purposes only

Mid and South Essex Success Regime

A programme to sustain services and improve care

STP Estates Workbook

October 2016

STP Estates Workbook - Disclaimer

- The options set out in this document are for discussion purposes. The involved NHS bodies understand and will comply with their statutory obligations when seeking to make decisions over estate strategies which impact on the provision of care to patients and the public. The options set out do not represent a commitment to any particular course of action on the part of the organisations involved.
- In respect of any request for disclosure under the FoIA: This is a confidential document for discussion purposes and any application for disclosure under the Freedom of Information Act 2000 should be considered against the potential exemptions contained in s.22 (Information intended for future publication), s.36 (Prejudice to effective conduct of public affairs) and s.43 (Commercial Interests). Prior to any disclosure under the FoIA the parties should discuss the potential impact of releasing such information as is requested.

STP Estates Workbook - Contents

STP Service Strategy and Implications

Key STP Service Strategy Themes:

Main STP service priorities needed to deliver FYFV:

1. Manage demand for healthcare across primary, community and acute settings
2. Reconfiguration of acute services to provide quality, safer, more efficient services
3. Build capacity outside the hospital to support more complex care needs

Core to these priorities and the STP programme is the redesign of all pathways within a fixed financial envelope.

The health system must seek to save £407m, with £209m from pressures on providers and the remaining £198m from commissioners. The STP is also considering the estimate overspend of £164m in the social care system

Enabling Implications for Future Estate

Priority areas to address are;

1. Reconfigure acute estate at Southend, Chelmsford and Basildon to reflect changed service model and pathway requiring capital investment of £43 - £93m
2. Enable greater separation of elective and non-elective provision
3. Ensure suitable accommodation, in design and capacity, to provide community and enhanced primary services, including those reconfigured from changes to acute provision. This may require the development / redesign of around 6 – 8 new community facilities
4. Ensure use of core estate is maximised, especially Brentwood Community Hospital and disinvest from sites that are redundant such as in Southend. Also reuse / refurbish rather than build new where possible
5. Adopt to facilitate estate utilisation and 7 day working especially in primary and community care “hub” locations, minimising build required
6. Implementation expertise and resource capability both for programme and individual project delivery, including procurement and approvals
7. Ensure that efficiencies are made in operational estate costs of estates as part of the system-wide contribution to savings

Performance Indicators: 2020/21 Success Metrics

Indicator	Current	Planned	Comments
Estate Running Costs (£/m2)	£348m pa (£300.m2)	TBC – The STP is currently considering precise targets that will be form part of the overall programme f transformation. The targets will depend on the acute reconfiguration option agreed upon as each provides a different acute facility landscape	Variation between sites of over 300%, partly driven by the inclusion of PFI unitary payments
Non-Clinical Space (%) (Carter Metric max 35%)	130,000 sq metres, equivalent to 40 %		Relatively little variation with figures between 38% and 44%
Unoccupied Floor Space (%) (Carter Metric Max 2.5%)	7,000 sq metres, equivalent to 2% (two percent)		Relatively little variation with figures between 5% and 0 (Zero)%
Functional Suitability	87% of the assets are in an acceptable condition / satisfactory performance		Significant variation between one hospital at 1000% suitable the others at around 73%.
Condition	£16.8m required to eliminate Critical Infrastructure Risk £42.8m required to eliminate backlog maintenance		Variation of 500% between individual sites, reflecting that one of the facilities was significantly redeveloped in 2010

Notes: Based on the three acute sites only, but none of their community or other satellite facilities.
The figures, which are taken from the Carter Review and ERIC returns, mask significant variation between the sites, as noted above. The key therefore may not be progress against an average target but in reducing variability

Summary of existing projects (1)

Review of existing projects /initiatives considered to align with STP (top 10/20 projects)

Project / Location	CCG / Trust	Strategic Objective	Priority / Importance	Est Revenue impact £m* (+/-)	Net Capital impact £M (+/-)	Project Milestone	Estimated Delivery Year	STP Alignment (Y/N)
Purfleet Healthy Living Centre	Th'ock	Key local provision to extend services	Critical – Area currently has very little provision suitable for primary care and almost none for enhanced community services	Expected that will be funded by LA and leased. Cost of additional revenue will be ameliorated by reduction of other primary care costs. Revenue implication c. £1m each dependent on final specification		PMO being set up jointly with LA with basic spec already developed PMO being set up	2019/20	Y
Tilbury Healthy Living Centre	Th'ock	Key local provision to extend services					2019/20	Y
Orsett redesignation	Th'ock	Best use of existing facility	High – Current facility must change to reflect new service model and withdrawal of UCC	Expected that replacement facility will be refurbish / new build on existing site and possible opportunity for part disposal. Likely to be revenue saving dependent on model		Initial project team Sep 16	2018/19	Y
Thurrock Community Hospital	Th'ock	Key local provision to extend services	High – Current facility must change to reflect new service model	Expected that works will be generally modest refurbishment not rebuild but specification still uncertain		Awaiting new acute model	2018/19	Y
Laindon development	B&B	Replace key service facility	Medium – Additional enhanced primary care provision required	(0.5) but uncertain as number of delivery routes	c. (5.0) based on current model	Project Team in place and OBC before Dec 16	2019	Y

* Unless otherwise stated revenue cost is based on 12% of capital value

Summary of existing projects (2)

Review of existing projects /initiatives considered to align with STP (top 10/20 projects)

Project / Location	CCG / Trust	Strategic Objective	Priority / Importance	Est Revenue impact £m* (+/-)	Net Capital impact £M (+/-)	Project Milestone	Estimated Delivery Year	STP Alignment (Y/N)
St Peters Hospital, Maldon	Mid	Key local provision to extend services	High – Current must change to reflect new service model + in poor condition	C.(1.0)	(10 - 12)	Basic SOC in place	2019/20	Y
Braintree Community / St Michael's	Mid	Key local provision to extend services	High – Current must change to reflect new service model and elements now unavailable	c.(0.8)	c. (10) very dependent on preferred option	Initial specification	2020	Y
Urgent Care Centre Chelmsford	Mid	Reprovision of key service	High – New facility required for new service model and population increase	TBC	TBC	Initial discussions	TBC	Y
Shoebury Hub	S'end	Key local provision to extend services	High – New facility to replace poor existing and provide more enhanced services	TBC	Likely to be part of funded works on S106	At OBC	2018/19	Y
Radleigh Hub	CP&R	Key local provision to extend services	High – New facility required to support new service model and locality plan	TBC	TBC	Initial meetings held	TBC	Y
Benfleet Hub								Y
Rochford Hun								Y

* Unless otherwise stated revenue cost is based on 12% of capital value

Sustainability and Transformation Initiatives

In order of priority - 4 new programme identified where implementation required to enable wider STP strategy (revenue savings >£1m pa)

STP initiative	Estates Impact and Enablers	Est. Net Revenue Benefits (£m pa)	Project Status	Est. Deliver Year	Gross Capital Required (£m)	Disposal receipts (£m)	Comments and Interdependencies
1. Changes at acute facilities to reflect new model *STP themes 1- 4*	Works at all acute units to accommodate changes to service model	As noted on slides 4 and 5 the STP is currently considering the precise contribution to revenue savings that will be made by estates	In progress. Key to PCBC	2018 onwards	(40 – 90) depends on preferred option	None direct	Full public consultation and political buy in essential. Enables 2 and requires 3
2. Move outpatient and diagnostic services *STP themes 1,2 & 4*	Shift acute-based services into community facilities		In progress. Key to PCBC	2017 onwards	TBC	Options include disposals but not certain	Agreement on which services from which areas and hospitals yet to be reached
3. New health & community centres (see also previous slides) *STP themes 1,2 & 4*	Available land, opportunities and funding required whilst delivering model savings		Some in progress to PID	2018 onwards	TBC. Costs additional to existing projects depends on final model	N/A	Number already identified but uncertainty on what and where required may mean further needed
4. Maximise use of existing facilities over development of new facilities STP themes 1,& 4	May require some internal works depending on use		Planned step in business case process	2016 onwards	Minor refurb costs only of < (5.0)	N/A	BCH in particular will be prioritised for accommodation of transferred services

Implementation priorities

Key next steps towards delivery

Key next step	Challenges	Resources	Indicative timeline	Comments
Acute service model agreed ***[STP initiative 1]***	Fundamental and extremely complex set of changes especially as sites will be operational during transition	Confirmed: Success Regime, Boston Consulting Group and Trusts	< 3 months for initial detailed proposal	Likely to politically highly sensitive although no hospital marked for closure
Confirm services transferred to community (type, delivery, location) ***[STP initiative 2]***	Multi-layered equation including financially sustainability, use and reach of technology, access requirements	Assumed: Success Regime & advisors, Commissioners, Trusts, and external support	< 3 months for initial detailed proposal	Likely to politically highly sensitive to ensure that access can be shown to be equal whilst achieving financial limits
Understand gap / over provision of community sites ***[STP 2,3,4]***	Ensuring data correct and that all other uses properly recorded. Needs to balance need of CCG in developing support to primary	Assumed: Internal project team, SEA plus, NHSPS, CCG and Trust estates teams	< 1 months for initial view with subsequent iterations as model matures	Key issue will be to bring together multiplicity of uses, owners and to adjudicate between competing uses
Finalise data collection / analysis ***[STP initiative 4]***	Sufficient resource and stakeholder participation required across providers and commissioners	Proposed: Principally participants but some form of central facilitating resource required	4 months is a realistic timetable given extent of task	Whilst significant data is already held it is crucial that it is completely accurate to ensure savings can be realised given investment required to enable fundamental service change
Develop over-arching funding / procurement strategy ***[STP initiative ALL]***	Multiplicity of leaders within the system and projects as well as different timescales	Proposed: Participants principally but a PMO will be required to co-ordinate	In around 4 -5 months time dependent on needs of service change	Opportunities for co-ordination of project, both for economies of scale and to ensure seamless transition will be critical

Headline Financial Impacts

Investment Pipeline summary

Investment requirement (strategic objective)	Estimated investment capital £m	Committed (OBC stage) £m	Uncommitted (Pre OBC) £m	Estimated timeline	Capital Proceeds £m	Gross Estate Running Cost Savings £m pa	Service savings £m pa
Back-log maintenance programme	67.3	1	66.	Date to 2021	N/A	N/A	TBA
Service re-configuration/ consolidation	116.4	-	116.4	Date to 2021	N/A	U/K	Will enable overall savings
Estate subject to ETTF funding*	9.0	-	9.0	Date to 2019	N/A	U/K	U/K
Other #	150.9	2.2	148.7	Date to 2021	N/A	U/K	U/K
Totals	**342.6**	**3.2**	**339.4**		N/A	U/K	U/K

*Note: * This includes some IT programmes that will benefit the whole of the Essex health economy not just this STP*
Note: # This includes for IT, plant and equipment

Disposal Opportunities

Disposal Status	No. of sites	Land Area (Ha)	GIA (m)	Estimated disposal value £m	Timeline for disposal (year)	Estimated Housing Units	Gross Running Cost reduction £m	Cost to Achieve (where known) £m
1. Marketing ongoing	1	17	N/A	u/k	2017	Employment use	Nil	Negligible
2. Declared surplus / OBC approved								
3. Feasibility Stage	3	<2	N/A	C. 2.0	2018 – 20	30	<1	Negligible
Totals	1	19	N/A	2.0+_		30+	<1	Negligible

Note: There are a significant number of sites where, dependent on options taken, part or all of a site may be surplus, however it will not be clear until 2017 how the over-arching strategy of the STP will impact on these individual premises

Critical Decisions

Critical Decisions:

Decision Required	Significance/ impact on STP strategic objectives	Owner	Action By:
Acute model. Which site will have which services, including specialisation, and access standards	Critical – savings and change based on this	M&S SR	Options for PCBC with final end 2017
Key service model assumptions for community-based services including levels of digitisation, number of sessions per day	Critical – savings and change based on this	M&S SR	Options for PCBC with final end 2017
Levels of activity transferred from acute to community including geographic area	Critical – savings and change based on this	M&S SR	Options for PCBC with final end 2017
Finance available post acute changes and required financial savings to fund additional / refurbishment community provision	Critical that balance between savings from model and necessary investment is maintained	M&S SR	Mid 2017
Availability of key disposal receipts locally, in general for Secretary of State and NHSPS property	Important – Understand what disposal receipts may be available	M&S SR	Mid 2017
Prioritisation to maximise use of core assets for community services beyond other considerations	Important – relative priority of potential competing priorities need to be understood	M&S SR	Mid 2017
The impact of proposed treatment of GP owned estate and ability to retain and re-invest capital receipts needs clarity in terms of principles and requirements.	Important – especially for primary investment key to understand potential rules and opportunities	DH / HMT	End 2016
Business Case process for multiple inter-linked projects and ability to “batch” to ensure that inter-linked propositions are considered in the round ands not as individual investment decisions	Important – Ability to minimise adviser costs and for inter-linked projects to be viewed as one	NHSE	End 2016

Annex 1: STP Estates Data Summary

Estates Composition (1 of 3)

Portfolio Summary

Portfolio	No. Properties	Footprint Size (Ha)	Size GIA (sqm)#	Percentage Tenure split Freehold / Leasehold*	Estate Running costs pa (£m) (rent, s'charge, FM)~	Back-log Maintenance £m
GP owned	237	U/K	62,335	56/44	9.664	U/K
NHS PS	98	-	73,202	34/66	15.633	U/K
CHP	3	-	7,122	Leasehold	3.194	Neg
Provider estate	69	53	346,146	N/A	121.196	16.4
Mental Health Trusts⭘	190	17	54,211	N/A	15.195	0.868
Public Health Estate◆	-	-	-	-	-	-
Other	-	-	-	-	-	-
Totals	597	70	543,016	N/A	165	17.3

Functional Use Summary

Functional Uses	No. Properties	Footprint Size (Ha)	Size GIA (sqm)	Percentage Tenure split Freehold / Leasehold*	Estate Running costs pa (£m)	Back-log Maintenance £m
Clinical/clinical support	592	70	530,000	N/A	163.5	17.3
Back Office (self contained unit)	5	u/k	13,307 (Est)	All lease	c. 1.5	u/k
Other (eg w'house or workshop)	-	-	-	-	-	-
Totals	**597**	**70**	**543,016**	**N/A**	**165**	**17.3**

Note*: Leasehold includes licenses, Short leases, sessional use
Note#: For GPs figures are given for NIA
Note~: For GPs figures are given for NHS Premises Payments as most complete record set
Note⭘: Data is provided for mental health use only sites but there are 190 service points
Note◆ Data is provided for acute use only sites but there are 69 service points

chp

NHS Property Services

Estates Composition (2 of 3)

Note: No PFI or LIFT buildings are included on this slide as they are listed in the next slide

High Cost Sites: Estate Running Costs

Highest Cost Sites	Footprint Size (Ha)	Size GIA (sqm)	Freehold / Leasehold	Estate Running costs pa (£m)	Back-log Maintenance £k	Cost per sqm	Current Site Strategy
Basildon Hospital	18.45	107,144	Freehold	32.0	1,600	£116	Reconfigure
Southend Hospital	12.53	111,792	Freehold	28.6	2,590	£408	Reconfigure
Leigh PCC	-	2,471	Leasehold	1.4	U/K (low)	£699	Retain
Phoenix	-	5,587	Leasehold	1.3	U/K (low)	£450	Minimise
Thorpedene	-	2,398	Freehold	0.8	U/K	344	Retain

Highest Cost Locations : Backlog Maintenance

Highest Cost Sites	Footprint Size (Ha)	Size GIA (sqm)	Freehold / Leasehold	Estate Running costs pa (£m)	Back-log Maintenance £k	Cost per sqm	Current Site Strategy
Southend Hospital	12.53	111,792	Freehold	28.6	2,590	£408	Reconfigure
Basildon Hospital	18.45	107,144	Freehold	32.0	1,600	£116	Reconfigure
St Peter's Hospital	2.08	2,294	Freehold	0.8	1,267		

Other properties have backlog maintenance that is negligible or the facilities are planned for disposal / replacement

Estates Composition (3 of 3)

PFI and LIFT Utilisation

Sites	Footprint Size (Ha)	Size GIA (sqm)	Estimated Utilisation (%)	Estate Running costs pa (£m)	£ Cost per sqm (GIA)	Proposed STP Site Strategy
Broomfield Hospital	19.3	123,715	100	58.241	£657	Maximise utilisation with some modifications to support new service model. Precise works will be dependent on preferred option for over-arching service model
Central Canvey PCC	-	2,955	99.5	1.148	£389	Maximise utilisation. £0.8m investment from ETTF to redesign some areas to better support local enhance primary and community care services
North Road PCC	-	1,890	100	0.988	£523	Maximise utilisation with some potential small-scale reconfiguration (non-capital)
Valkyrie PCC	-	2,277	100	1.101	£483	Maximise utilisation with some potential small-scale reconfiguration (non-capital)

Note figures provided are for occupation not utilisation. Changes to the service model, operational policies, and clinical pathways will enable additional throughput with limited, if any, investment required

Summary of transformation by sectors

Model	Secondary	Community	Primary	Admin
ESTATE TO REDUCE / DISPOSE	Fossett's Farm (Already on list for Southend HUFT)	- Orsett Hospital (option) - Laindon (note land swop as option)	Various very small properties requiring transfer to new	Will be considered in later workstreams
ESTATE TO INCREASE (by 2020/21)	None	- Purfleet - Tilbury - CP&R Hubs (x2) - Shoebury	- Laindon - Dipple - Within a number of community / enhanced hubs	None
ESTATE TO OPTIMISE	All three acute hospitals will require some re-design work to support altered role	- Brentwood Community Hospital - Thurrock Community - St Peter's - St Michael's	Significant number of small schemes	Will be considered in later workstreams