NATIONAL ESTATES MOU – DRAFT

# GREATER MANCHESTER HEALTH AND SOCIAL CARE DEVOLUTION

# MEMORANDUM OF UNDERSTANDING - ESTATES

# BETWEEN GREATER MANCHESTER AND NATIONAL BODIES

## 1. Introduction

The overriding purpose of the initiative represented in this Memorandum of Understanding (MOU or Memorandum) is to ensure that the effective management of the Greater Manchester (GM) health and social care estate enables the greatest and fastest possible improvement to the health and wellbeing of the 2.8 million citizens of GM.

This requires a more integrated approach to the use of the existing health and social care estate, which will be a critical component in delivering transformational changes to the way in which services are delivered across GM.

To facilitate this, this MOU creates a framework for achieving the dialogue and consensus between all parties that will be required to drive forward, at pace, an effective GM estates strategy. It sets out the process for collaborative working to ensure that the maximum value is derived from the changes to the GM health and social care estate that will be necessary if the ambitions in the GM health and social care strategy 'Taking Charge' are to be realised. Furthermore this MOU underpins a second MOU that will be agreed between GM's health and social care organisations that will help shape the development of the GM estate.

All parties to this MOU agree to act in good faith to support the objectives and principles set out here, for this MOU for the benefit of all GM patients and citizens.

## 2. Parties

The Parties[1] to the Memorandum are:-

***GM Combined Authority (GMCA)***
***The 10 GM Local Authorities***
***Association of GM CCGs***
***The 12 GM CCGs***
***GM NHS Provider Trusts***
***The 15 GM NHS Provider Trusts***
***Association of Greater Manchester Local Medical Committees***
***Department of Health (DH)[2]***
***NHS England (NHSE)***
***NHS Improvement (NHSI)***
***HM Treasury (HMT)***
***Department for Communities and Local Government (DCLG)***

[1] Appendix 1 includes a full list of organisations that are party to this Memorandum
[2] DH is the sole shareholder for NHS Property Services (NHS PS) and Community Health Partnerships (CHP). Both organisations have important roles to play in the development of the GM estate, but are represented in this MOU by DH.

There will also be an MOU between GM partner organisations setting out in more detail how they will work together on management of the GM public sector estate. The parties to the GM Memorandum will be:-

***GM Combined Authority (GMCA)***
***The 10 GM Local Authorities***
***Association of GM CCGs***
***The 12 GM CCGs***
***GM NHS Provider Trusts***
***The 15 GM NHS Provider Trusts***
***NHS Property Services (NHSPS)***
***Community Health Partnerships (CHP)***
***Association of Greater Manchester Local Medical Committees***

## 3. Context

Estates development is a key enabler for the successful implementation of the GM Health and Social Care Strategic Plan "Taking Charge" and the closure of the £2bn gap in five years and will also have a wider impact on GM economic outcomes (e.g. housing delivery, economic space).

The key features of estate changes needed for health and social care in GM are that:

- through the combined effect of a radical upgrade in prevention of demand for health and social care services, scaling up primary care, the integration of community health and social care and the standardisation of clinical support and back office services, there should be a reduced need for hospital capacity due to inappropriate demand; and
- there will be requirements for multi-purpose community based hubs accommodating, for example, integrated primary care, community health and adult social care services and enhanced provision of step down services preventing inappropriate demand for acute beds.

However, the current structure of the health and social care system can make strategic investment/disinvestment decisions in multiple ownership situations challenging. The existence of multiple and different decision points for estate development or changes and the plurality of processes for agreeing business cases for investment and disposal can result in difficulties in whole-system planning. There are currently few existing incentives for unified strategic estate planning across the diverse spectrum of health and social care partners.

There is unlikely to be sufficient capital available within existing sources to deliver the estate changes desired for the health estate in GM. GM will therefore develop a capital investment strategy for estates that considers the availability and affordability of capital budget (Capital Departmental Expenditure Limit known as CDEL) and where appropriate and value for money and create appropriate funding platforms in open consultation and collaboration with NHSE, NHSI, DH and HMT.

This MOU sets out the overarching principles so that there is the necessary leadership and coordination needed to maximise the opportunities the GM estate offers.

In that context this MOU:

- establishes the way in which GM and national organisations will adopt a collaborative approach to the management of the GM estate with the wider GM strategy in mind; and

- clarifies the process by which the disposal of GM health and social care estate will be managed.

It should be read in conjunction with the MOU for the GM health and social care devolution, and the MOU for Estates between GM parties.

## 4. Vision and Objectives

A vision for GM Health and Social Care estates has been agreed at the Strategic Estates Group Chairs' workshop in October 2015:

*'Greater Manchester will seek to drive maximum value from the public estate by enabling its more efficient use in order to deliver local strategic objectives and national policy objectives'.*

The parties to this MOU share the following objectives:

- Better manage the public sector estate so that it enables the reforms needed to deliver:
  - Improved health and wellbeing outcomes for the people of GM,
  - better utilisation of the current health and social care estate,
  - Achieve clinical and financial sustainability for the GM health and social care system by 2020;
- Make more efficient use of the public sector health and social care estate in order to deliver 'Stronger Together: Greater Manchester Strategy', 'Taking Charge' of our Health and Social Care in Greater Manchester, the delivery of our ten Locality Plans and national policy objectives included in the 'Better Quality Care for Patients' the Five Year Forward View;
- Identify and release surplus land to optimise receipts and deliver economic growth and value for money;
- Enable GM to optimise site value and to help DH meet its targets for receipts from land disposals and housing, and delivery of key worker housing if required; and
- Deliver plans that are consistent with and support any overarching health and social care estate or public sector targets, estates sales plans and place based collaborations.

## 5. Overarching Principles

The MOU is underpinned by the following principles which will support the vision of driving maximum value from the public estate:

Collaboration

- GM will work collaboratively with local non-GM bodies and take into account the impact of GM decisions upon non-GM bodies and their communities;
- All parties will engage in collaborative, constructive conversations about the optimum use of public sector assets across GM to maximise value (minimising delivery risks with appropriate financial risks);
- All parties commit to optimise the scale and value of disposals from surplus land, including, where appropriate, housing
- A commitment for all parties to take a transparent and open book approach in relation to land and property assets, including early notification of possible land and buildings for disposal with clear recognition of the need to protect commercial confidentiality;

Decisions

- All parties will work collectively to ensure that decisions relating to estates taken at both locality and GM level will focus on the delivery of the GM strategic plan, Stronger Together: Greater Manchester Strategy and Taking Charge[3] of our Health and Social Care in Greater Manchester and the delivery of our ten Locality Plans and therefore the interests and outcomes of patients and people in GM, not organisational self-interest alone;
- The delivery of 'Taking Charge' and of the ten Locality Plans will be considered as a significant priority for investment and strategic estates decisions[4];
- There is no requirement for GM health and social care estate ownership to change;
- The MOU does not affect the autonomy of any GM organisation, nor will it interfere with the rights and duties of any party to the MOU to determine what relevant estate is disposed of, or when; and
- So far as is consistent with any statutory or other legal obligations on them. all parties will seek to optimise the utilisation of assets where long term commitments exist, such as PFIs, LIFT etc.

## 6. Scope

The MOU relates to all investment and disposals in health and social care estate (buildings and land) in GM that is owned by the public sector or GP practices.[5]

In relation to disposals it does not cover any other buildings or land owned by independent or private sector organisations from which health and social care services are delivered.

It is recognised that there are organisations outside of GM that may have health and social care estate in GM. The parties to this memorandum are expected to collaborate with such parties even though they are not party to this memorandum.

The MOU relates to strategic decisions on the GM estate's health and social care buildings and land, not operational management of the estate or facilities management.

In all cases, decisions by the parties in pursuance of this MOU must be consistent with their respective statutory and other legal obligations, rights and objectives.

## 7 . What the MOU Delivers

Terms of the Memorandum

All parties will seek to drive maximum value from the public estate by:

- acting in good faith to support the objectives and principles of this MoU for the benefit of all GM patients and citizens;
- working collaboratively and transparently to deliver effective management of the public estate aligned with the 'Stronger Together' and 'Taking Charge', delivery of the ten Locality Plans and the principles of the GMCA Devolution agreement;

[3] 'Taking Charge' is GM's five year strategic plan for health and social care. As it develops it will mirror the requirements of the Sustainability Transformation Plan (STP) guidance that other areas are producing. GM will not be producing a separate STP.

[4] NHS providers also have commitments/responsibilities to patients/residents beyond GM. There may be estate decisions taken regionally that we would want to be complementary but would not be incorporated into either Taking Charge, the STP or Locality Plans.

[5] This recognises that GP practices may be owned privately but still provide public health services.

- facilitating an ongoing dialogue with relevant bodies managing the GM health and social care estate;
- taking decisions at a GM level in respect of the health and social care estate where the GM place-based approach is optimum for its residents, recognising regional and national objectives;
- developing a partnership for strategic estate planning, aligned with sub-regional strategies;
- committing to a process designed for reaching agreement as to how GM will contribute to the DH estate disposal and housing targets. (See appendix 2 for proposed process); and
- agreeing to open discussions on issues that will help GM accelerate the pace of change, or to overcome national constraints that inhibit the development of the GM strategy. Current examples of this are:
    - Capital Resource Limit - All parties will work together to agree how the NHS Capital Resource Limits relating to GM NHS Trusts and NHS Foundation Trusts can be confirmed as soon as possible, and to investigate how a GM wide allocation can be made in the future; and
    - Approval process for Capital Projects - GM will work with DH, NHSE and NHSI with the intention of streamlining approval processes for NHS Primary Care capital projects by ensuring they are fully aligned to 'Taking Charge', locality plans and national directives and thus are ready for approval

## 8. Implementation.

Appendix 2 outlines the process relating to the disposal of surplus property and the handling of receipts

## 9. Governance

New governance structures will enable the parties to work together to make decisions in relation to the GM health and social care estate that are strategically co-ordinated and aligned to maximise benefit across GM. An innovative governance framework will be key to success.

- The governance of GM health and social care will form part of the governance arrangements for the GM Land Commission (GMLC). The GMLC will provide greater local oversight and accountability for estates management strategies, including approaches to disposals and generation of capital receipts.. The GMLC will provide a strategic link between GM and Government Departments / Non-Departmental Public Bodies to facilitate the better use of the public estate to help meet national and local policy objectives. A GMLC / One Public Estate (OPE) framework is currently being developed comprising GM and local strategy and delivery capability. The emerging framework is shown at Appendix 4 to this MOU.

- A dispute resolution process is shown at Appendix 3

- A GM Land and Property Board responsible for delivering the OPE agenda in GM, accountable to the GMCA. It will support the GMLC and has responsibility for implementing the strategic direction for land and property set by GMCA in consultation with GMLC.

- A GM Health and Social Care Strategic Estates Board has been established which represents all stakeholders and is responsible for high level strategic estates planning (not the management of the estate).

- Each of the ten GM localities have established Strategic Estates Groups (SEGs). These are collaborative forums of public sector occupiers charged with using public property assets more efficiently based on the needs of each community. The SEGs will develop locality-based strategic estate plans and delivery programmes which will flow from the Locality Plans. The work at locality level will be supported by work at GM level to understand the scale of the estate requirements and to secure the investment needed.

***Appendix 1 – Parties to the Memorandum***

| GM Combined Authority | Association of GM CCGs | GM NHS Provider Trusts |
|---|---|---|
| • Bolton Council<br>• Bury Council<br>• Manchester City Council<br>• Oldham Council<br>• Rochdale Borough Council<br>• Salford City Council<br>• Stockport MBC<br>• Tameside MBC<br>• Trafford Council<br>• Wigan Council | • NHS Bolton CCG<br>• NHS Bury CCG<br>• NHS Central Manchester CCG<br>• NHS Heywood, Middleton and Rochdale CCG<br>• NHS North Manchester CCG<br>• NHS Oldham CCG<br>• NHS Salford CCG<br>• NHS South Manchester CCG<br>• NHS Stockport CCG<br>• NHS Tameside and Glossop CCG<br>• NHS Trafford CCG<br>• NHS Wigan Borough CCG | • Bolton NHS FT<br>• Central Manchester University Hospitals NHS FT<br>• Greater Manchester West Mental Health NHS FT<br>• Manchester Mental Health and Social Care Trust<br>• North West Ambulance Trust<br>• Pennine Acute Hospitals NHS Trust<br>• Pennine Care NHS FT<br>• Salford Royal NHS FT<br>• Stockport NHS FT<br>• Tameside Hospital NHS FT<br>• The Christie NHS FT<br>• University Hospital of South Manchester NHS FT<br>• Wrightington, Wigan and Leigh NHS FT<br><br>• 5 Boroughs Partnership NHS FT<br>• Bridgewater Community Healthcare NHS FT[6] |

Association of Greater Manchester Local Medical Committees (LMCs)
Department of Health (DH)
NHS England (NHSE)
NHS Improvement (NHSI)
HM Treasury (HMT)
Department for Communities and Local Government (DCLG)

[6] 5 Boroughs and Bridgewater are formally located in Cheshire and Merseyside but are parties to this Memorandum as they have estate within GM.

***Appendix 2 –***

## PROCESS FOR GM TO CONTRIBUTE TO THE CAPITAL RECEIPT AND HOUSING TARGET FOR DH

1. Introduction

1.1 The national MOU will determine a collaborative way of working – principles, scope etc. The MOU will ensure that decisions are taken with the wider GM strategy in mind. It will establish an "Open book process" to optimise the speed and value of disposals in GM, helping DH meet its targets.

1.2 DH has a challenging Spending Review target which includes £2bn asset sales and disposal of land to deliver 26,000 new homes. GM has a 220,000 new homes target as part of the Devolution agreement. There is a need to consider the interplay (and any potential overlap) between this target and the NHS target.

2. Disposals

2.1 For disposals involving one organisation the capital receipt flow and contribution to the DH receipts and housing targets is illustrated in Table 1.The contribution to the DH target is notional as funds remain with the organisation making the disposal

2.2 Where the disposal involves approval for housing on land owned by NHS bodies or NHS PS the housing numbers will contribute to the DH target.

3. Disposals involving multiple sites

3.1 Where a disposal follows site assembly by GM of one or more sites in the ownership of different public sector ownership, including NHSPS, 'marriage value'[7] may be created i.e. added value above that which might have been obtained from individual transactions (including the usual overage).

3.2 In these cases, the capital receipts relating to the un-enhanced value (plus usual overage[8])of the individual sites will flow to the individual site owners. The share of the marriage value - 'gainshare' will be shared as agreed between the parties.

4. Delivery

[7] 'Marriage Value' is the value released by the merger of two or more interests in land, often when combining land parcels to assemble a development site.

[8]

4.1 Establish a working group composed of: DH, CHP, NHS PS, Provider Trusts and the GM Health and Social Care Partnership team.The group will report into the MOU Working Group.

4.2 GMGM will establish an evidence based list of DH identified NHS sites,or disposal or housing development covering the period 2016-2020. The sites will be identified from the twelve GM interim Local Estates Strategies dated December 2015 and sites reported to HSCIC as surplus as part of the annual surplus land data exercise, refined through further Trust visits by the DH Provider Engagement Programme and by reference to the 'Taking Charge' strategy, which will include the national requirements for Sustainable Transformation Plans, and through updates to the Local Estates Strategies..

4.3 Agree monitoring of receipts, through an agreed 'Disposals Framework', for NHS sites identified for disposal/housing development from April 2016 onwards..

Table 1

| Current GM H&SC Estate owner | Capital Receipts from disposals | Counts towards DH targets |
|---|---|---|
| **NHS Foundation Trusts** | FT retains | ✓ |
| **NHS Trusts** | Trust retains, with NHSI consent | ✓ |
| **NHS Property Services** | NHS Property Services Ltd. | ✓ |
| **Local Authority** | LA retains | × |
| **CHP** | CHP | × |
| **Primary Care (GP owned)** | GP partner | × |

| | | |
|---|---|---|
| **Primary Care (not GP owned)** | Freeholder | × |
| **CCGs** | n/a | Dependent on freeholder |

*Appendix 3*

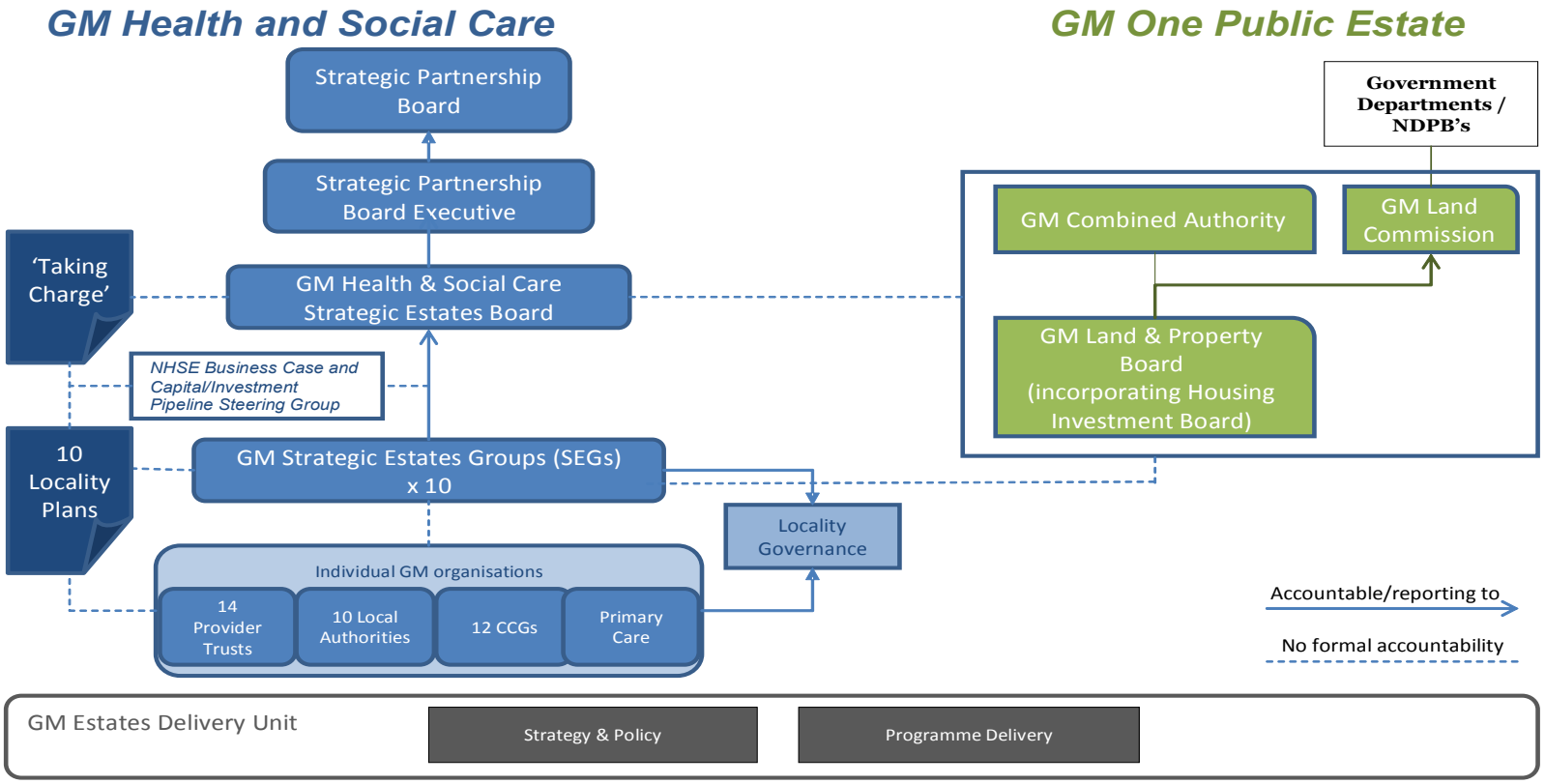
## Dispute Resolution

1. Any dispute arising out of or in connection with this contract shall, at first instance, be referred to a mediator for resolution. The parties shall attempt to agree upon the appointment of a mediator, upon receipt, by either of them, of a written notice to concur in such appointment. Should the parties fail to agree within fourteen days, either party, upon giving written notice, may apply to the President or the Vice President, for the time being, of the Chartered Institute of Arbitrators, for the appointment of a mediator.

2. Should the mediation fail, in whole or in part, either party may, upon giving written notice, and within twenty eight days thereof, apply to the President or the Vice President, for the time being, of the Chartered Institute of Arbitrators, for the appointment of a single arbitrator, for final resolution. The arbitrator shall have no connection with the mediator or the mediation proceedings, unless both parties have consented in writing. The arbitration shall be governed by both the Arbitration Act 1996 and the Controlled Cost Rules of the Chartered Institute of Arbitrators (2014 Edition), or any amendments thereof, which Rules are deemed to be incorporated by reference into this clause. The seat of the arbitration shall be England and Wales. "

## *Appendix 4* – Proposed GM Estates Governance Structure

### Estates Governance framework



| | | |
|---|---|---|
| **1** | **GM Land Commission (GMLC)** | • The GMLC will provide a strategic link between GM and HMG Departments / NDPB's to facilitate the better use of the public estate to help meet national and local policy objectives. It will:<br>– Support GM with discussions with HMG Departments to unlock barriers or resolve centrally determined estates issues impacting on the successful delivery of GMCA land and property programmes;<br>– Provide a mechanism for HMG Departments to link, and support delivery of, departmental estate disposal programmes with locally led housing, economic growth and public service reform initiatives. |
| **2** | **GM Land & Property Board** | • Responsible for delivering the One Public Estate agenda in GM, accountable to the GMCA.<br>• Supports the GMLC and has responsibility for implementing the strategic direction for land and buildings set by GMCA in consultation with GMLC.<br>• Develops and monitors a range of targets on behalf of the GMCA, in relation to the strategic management of public land and property assets in GM, and the delivery of key land and property programmes. Holds GM delivery function to account. |
| **3** | **GM Delivery Unit**<br><br>**(Strategy and Planning Programme Delivery PMO)** | • Delivery function providing appropriate strategic capacity and multi-disciplinary expertise to support the existing estates capacity across GM. The Delivery Unit will work within national guidance to provide the support required to deliver 'Taking Charge'.<br>• Core responsibilities include i) Support the planning and delivery of key estate programmes including local estate strategies; ii) Planning and delivery of strategic estates programmes iii) Design, implement and embed common standards and practices for estates planning and delivery. |
| **4** | **GM Health and Social Care Strategic Estates Board** | The GM Health and Social Care Strategic Estates Board will:<br>• Provide strategic oversight and leadership to the development and delivery of the GM Health and Social Care Estates Strategy, and to ensure that the MoU developed between GM and DoH, is supported by a corresponding intra GM MoU that defines how GM will work together.<br>• Be responsible for delivery and oversight of the GM/DoH MoU, and the delivery of the intra GM MoU.<br>• Have oversight for the production of the ten Strategic Estates plans, and be responsible for ensuring that there is a consistency in ambition and content. In support of this the SEG Chairs Group will be represented on the Board.<br>• Have oversight of and be responsible for ensuring the estates elements of the Strategic/Implementation plans are produced and hold the Delivery Unit to account for developing them.<br>• Have oversight of any national policy development that impacts on health and care GM organisations and their estate.<br>• Not be responsible for the development of a GM Spatial Framework, its responsibility extends to the strategic management of the health and care estate only.<br>• |
| **5** | **Strategic Estates Groups (SEGs)** | • Collaborative forums of public sector occupiers charged with using public estates more efficiently based on the needs of each community. Develop locality-based strategic estate plans and delivery programmes that are aligned to the Locality Plans and 'Taking Charge'. |
| | **NHS England Business Case and Capital/Investment Pipeline Steering Group** | • The group oversees the governance arrangements of the Capital/Investment pipeline across Lancashire & Greater Manchester. It's main aim is to provide strategic oversight to ensure capital investment is made in line with the strategic direction of NHS England; to ensure investment is targeted at the areas of greatest need; and to ensure value for the NHS and that any investment has the maximum benefit to the NHS and its patients |