Hampshire & Isle of Wight STP estates enabling plan

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EXECUTIVE SUMMARY

Over the past two months, partners have been meeting as a workstream forum to compile the Estates section of the STP.

This builds on individual work through the Local Estates Forums (LEFs) to produce Strategic Estates Plans (SEPs) and Providers' own work to deliver cost improvement and innovation.

This document is an Estates Enabling Plan (EEP) and sets out the interim conclusions of the workstream, but more importantly points to an ongoing process whereby the partners will move towards a more robust Estates Strategy reflecting the full transformation implications of the STP.

The partners agree:

1. That the main impetus and focus for Estate Rationalisation will be at a local, place-based level where much is already happening to optimise and develop assets
2. That they will work together to pursue the five opportunity areas identified in this report:
    a. Reducing demand for the Estate
    b. Increasing asset utilisation
    c. Introducing or enhancing flexible working
    d. Reducing operating costs
    e. Enhancing "One Public Estate" ethos through shared service initiatives
3. That the current planning assumption for a potential £35m revenue savings (net of investment) is a stretching but achievable target over 5 years but needs more review and refinement and site based testing in the light of the STP Transformation proposals
4. There are strong interdependencies between Digital and Channel Shift, New Models of Care and Alliances/Collaboration within other STP workstreams and estates efficiencies cannot be delivered independently.
5. Across HIOW there is value in considering a forum - building on the work of this workstream – to oversee, share, optimise and learn from others and to undertake a periodic stocktake.
6. That there remains more work to be done in describing hub facilities within New Models of Care in a way that maximises standardisation, flexibility, cost efficiency and re-use of existing facilities
7. That partners will strive collectively to improve the information held and exchanged about the Estate and exploit data to improve performance including fitness for purpose reviews, condition assessments and compliance audits
8. That there may be value in exploring non-capital and other innovative financing mechanisms including asset-backed or special purpose vehicles
9. That more work is required to explore revenue generation opportunities including void management, temporary uses and generally more active Estate Management
10. That the connection of Health and Care to the wider economic development, regeneration, and inward investment and innovation agenda need to be emphasised and improved. This includes exploring site assembly to facilitate housing such as staff accommodation.

PURPOSE OF THIS DOCUMENT

This document is an Estates Enabling Plan (EEP) designed to begin to develop an estate response to the main STP transformation themes. It is the intention that, with more work, it will sit with the SEPs to be an estates strategy for HIOW.

The EEP does not intend to replace or replicate existing organisations' estates strategies/plans across the footprint. Rather, the EEP focuses on the common themes across the footprint where collaboration is either desirable (e.g. to achieve economies of scale, to share scarce resources, to share best practice) or essential (e.g. cross-organisational data sharing and co-location), and provides a framework for prioritising investment at a footprint level to maximise the benefits of estate-enabled transformation.

CONTEXT

The Sustainability and Transformation Plan (STP) has been developed in order for the NHS to deliver the Five Year Forward View (5YFV) published on 23 October 2014.

It is clear that patient needs are changing and we are facing a particular challenge in the NHS from increasing demand on services. The current method and growth of service delivery is unsustainable and so the NHS will need to contemplate significant change. The 5YFV contains a vision of how the NHS needs to change over the next five years in the areas of:

- Health and Wellbeing
- Care and Quality
- Finance and Efficiency

Nationally, STPs are a key vehicle for realising this vision. They address both Health and Care and are divided into 44 geographical footprints. Hampshire and the Isle of Wight (HIOW) is one of the larger footprints.

In HIOW we are facing a financial gap of £719m by 2020/21. The STP will look to optimise our estate portfolio in order to contribute to closing this financial gap and to better support our New Models of Care and other key transformation themes. The estates workstream of the STP links closely with technology and channel shift, and so have been grouped together under 'Technology and Estates'. This is because the initiatives coming from these workstreams will have a material impact on the demand for the Estate.

PARTNERS

Since work on the estates STP began in mid-April, we have had four team meetings and four stakeholder meetings. Our team meetings have guided the methodology of the work which has been presented for review in our stakeholder meetings.

Partners from CCGs, local authorities and trusts, as well as CHP and NHSPS, have been invited from all over HIOW to partake in the wider stakeholder meetings for their feedback and input around the

Estates STP. The process has been iterative and centred on an approach that has been captured in this document.

APPROACH

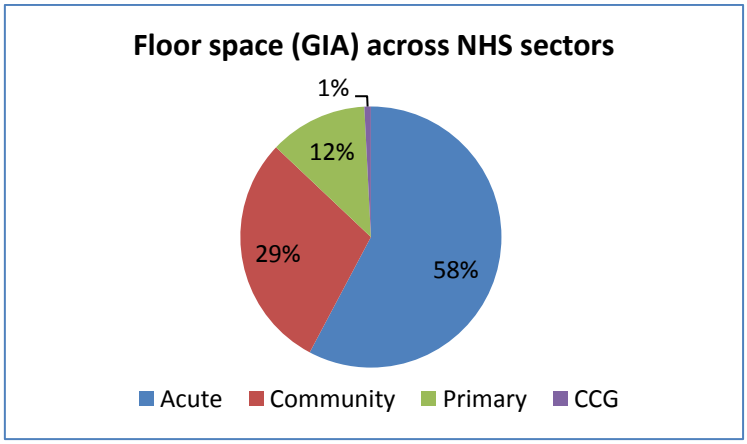
The approach to the Estates workstream over the last few months has involved research and analysis prepared by the core team and validated with stakeholders. The core team has researched at a national level to understand what monetary and non-monetary opportunities can be realised in transforming estate. The Strategic Estate Plans (SEPs) have given an overview of the estate portfolio in HIOW which has allowed the workstream to see how these opportunities can applied to the local estate. The areas of focus have been filtered through the course of dialogue between the core team and stakeholders to arrive at five key opportunity areas. Hypotheses around these opportunity areas were created based on case studies and stress-tested where possible in order to help understand the revenue savings potential in the HIOW Estate. Estimates around the savings potential were then formalised and proposed to the stakeholder group for review. A bottom-up analysis has given baseline estimates of revenue savings based on our current actions and a top-down analysis has given targets based on what can potentially be saved by implementing the five opportunity areas. This has been an iterative process: proposed savings estimates, discussion around these estimates, potential risks raised, further feedback from stakeholders, and then revisiting estimates.

CURRENT PORTFOLIO

By extracting data from the Strategic Estate Plans* (SEPs), prepared earlier this year, we see that the NHS Estate in HIOW covers a Gross Internal Area (GIA) of **916k m^2**. This amounts to an annual running cost of **£258m**. The estate can be split into 4 sectors: acute, community, primary, CCGs, which comprise 58%, 29%, 12%, and 1% of the GIA respectively.

Acute sites cost the most to run, averaging at **£306/m^2**, compared to £255/m^2 for community and £251/m^2 for primary care. As the acute sector has the highest running costs and comprises the largest GIA, and the STP makes reference to an Acute Alliance and an overall transfer of resource to other sectors, we envisage that it will ultimately provide the most opportunity for estates savings, however, the community and primary sectors are the areas of greatest initial opportunity. We also expect most of the investment to be in the community sector to facilitate new models of care.

The graph below displays the Gross Internal Area (GIA) across NHS sectors.



The table below displays the running costs on the GIA of HIOW estate.

Type	Floor Area/GIA (m2)	Annual Cost	Annual Cost (%)	Cost per sq. m
Acute	529,085	£161,800,000	63%	£306
Community	268,286	£68,400,000	27%	£255
Primary	111,182	£27,900,000	11%	£251
Total	**908,553**	**£258,100,000**	**100%**	**£284**

*Note: It has been highlighted that the SEPs include some inaccuracies

LOCAL INITIATIVES

The Hampshire and Isle of Wight Footprint covers eight CCGs. The system wide-strategies contained within the STP aim to build on and complement the commissioners' local initiatives. This is reflected in the Estate approach also. A summary of local estates strategy for the eight CCGs are as follows. More details can be found in *Appendix 1*.

NHS North Hampshire CCG

NHS North Hampshire CCG is working with the North Hampshire MCP and the North Hampshire Alliance Estates Strategy Group to assess potential to exit, increase, or optimise estates to deliver clinical and financial benefits, and to deal with the challenges of a growing population.

- The CCG are seeking to **reduce and/or exit estates** in primary care through re-provision, by 'working at scale' and co-location of services, and in the community by disposal of certain portions of the community estate (pending option appraisals in certain areas).
- The CCG will **increase estates** by developing primary care facilities based on increased population (delivering improved premises in line with NHS England strategic objectives), and by increasing the community estate in line with population growth which the existing system is unable to absorb.
- The CCG is undertaking option appraisals of its community and primary care sites, to determine how best to **optimise their estates**.
- Secondary Care estates programmes are currently subject to ongoing work to resolve proposals for a new Critical Treatment Hospital.

NHS South Eastern Hampshire CCG

NHS South Eastern Hampshire CCG is working with the Portsmouth and South East Hampshire System Transformation and Resilience Board to assess potential either to exit, increase, or optimise estates to deliver clinical and financial benefits, and to deal with the challenges of a growing population.

- The CCG are seeking to **reduce and/or exit estates** in primary care through re-provision, by 'working at scale' and co-location of services, and in the community by disposal of certain portions of the community estate.
- The CCG will **increase estates** by developing primary care facilities based on increased population (delivering improved premises in line with NHS England strategic objectives), and by increasing the community estate in line with population growth which the existing system is unable to absorb.
- The CCG has highlighted specific sites for **estates optimisation.**
- The CCG has no plans to reconfigure the Secondary Care estate

NHS Fareham and Gosport CCG

NHS Fareham and Gosport CCG is working with the Portsmouth and South East Hampshire System Transformation and Resilience Board to assess potential either to exit, increase, or optimise estates to deliver clinical and financial benefits, and to deal with the challenges of a growing population.

- The CCG are seeking to **reduce and/or exit estates** in primary care through re-provision, by 'working at scale' and co-location of services, and in the community by disposal of certain portions of the community estate.
- The CCG will **increase estates** by developing primary care facilities based on increased population (delivering improved premises in line with NHS England strategic objectives), and by increasing the community estate in line with population growth which the existing system is unable to absorb.

- The CCG has highlighted specific sites for **estates optimisation** in the Community, and will be undertaking options appraisals for optimisation of the Primary Care estate**.**
- The CCG has no plans to reconfigure the Secondary Care estate

NHS Southampton City CCG

NHS Southampton City CCG is working with the South West Hampshire Estates Group to assess potential to exit, increase, or optimise estates to deliver clinical and financial benefits, and to deal with the twin challenges of shifting balance between Acute and Out of Hospital Care and 25% Social Care efficiency

- The CCG are seeking to **reduce and/or exit estates** in primary care through re-disposal of certain CAMHS facilities, and in the community by disposal of certain portions of the Community Estate.
- The CCG is looking to **increase estates** in the community through a new joint facility with Southampton City Council, and is in discussion with its acute providers regarding new facilities. Increases in the primary care estate are to be determined following completion of Primary Care strategy
- The CCG has highlighted specific sites for **estates optimisation** which will be achieved by shifting services from acute providers and back-filling services across the community estate**.** Optimisation of the primary care estate is to be determined following completion of primary care strategy.

NHS West Hampshire CCG

NHS West Hampshire CCG is working with the West Hampshire Strategic Estates Group to assess potential to exit, increase, or optimise estates to deliver clinical and financial benefits.

- The CCG are seeking to **reduce and/or exit estates** in the community through the rationalisation of smaller occupations and leases, and consolidation of community hospital sites into modern, compact facilities.
- The CCG is looking to **increase estates** in the community through by developing existing community sites in the next five years.
- The CCG has highlighted specific community sites for **estates optimisation**.
- Secondary Care estates programmes are currently subject to ongoing work to resolve proposals for a new Critical Treatment Hospital.

NHS Isle of Wight CCG

NHS Isle of Wight CCG is working within its local Strategic Estates Group (firmly linked into the Island's New Care Model's 'My Life a Full Life' programme) to assess potential to exit, increase, or optimise estates to deliver clinical and financial benefits.

- The CCG are seeking to **reduce and/or exit estates** in secondary care by reducing their hospital footprint at Newport, in the community by relocating community services other centres and in primary care by consolidating practices.
- The CCG will **increase estates** for "out of hospital" services by increasing technologically enabled rooms across the island, in the community estate by increasing step down facilities and sessional rooms across the island through care home / Dementia and Extra Care sites, and in Primary care through consolidated facilities
- The CCG's plans for **estates optimisation** include, re-letting space to third party providers, optimising expensive long-lease community property (including releasing cheaper space), and disposing of outdated primary care property

NHS North East Hampshire Farnham CCG

NHS North East Hampshire and Farnham CCG is working through a North East Hampshire and Farnham Estates Workstream to assess potential to exit, increase, or optimise estates to deliver clinical and financial benefits.

- The CCG are seeking to **reduce and/or exit estates** by reallocating work between Community Hospitals to make room for an ICT community hub, and, in primary care, by disposing of GP practices. The CCG will **increase estates** in the community estate by investing in a new community ICT hub facility and in primary care by constructing a new GP surgery and creating additional capacity in certain sites.

NHS Portsmouth CCG

NHS Portsmouth CCG is working to assess potential to exit, increase or optimise estates to deliver clinical and financial benefits.

- The CCG are seeking to **reduce and/or exit estates** by refurbishing and reconfiguring Community Hospitals (St Marys Community Campus) which will result in large amounts of land release for housing. (St James Phase 1 and Phase 2 projects)
    - Decanting from St James to St Mary's Hospital will allow for estate consolidation and provide land for housing. There will be significant revenue savings from this project.
- The CCG will also **increase estates** with the development of 2/3 clinical hubs and the reprovision of some GP accommodation

FIVE YEAR VISION

In five years' time, we want to see an increase in the utilisation of our current estate and an overall decrease in the volume of assets that the NHS operates. Also we aim to have estate that is more flexible and more receptive to new models of care.

We envisage a future within the STP planning horizon where the direct link between enhancements in health and care, and land and buildings begins to be severed. Fewer people will attend a health facility in person or meet a health and care professional face to face. We will have a reduced number of beds, proactive case management for those at risk, standardised disease management pathways enabled by technology and self-care for a wider range of conditions. Entry and navigation around the system will be via a care coordination facility ensuring effective channel management and care closer to home. We aim to invest in renewing estate that is not currently fit-for-purpose and in the development of hubs which will break down the barriers between primary and secondary care. For investment reasons we will capitalise on monetary opportunities provided by One Public Estate (OPE), and other programmes that overlap with health and care, to help us deliver these changes to the HIOW estate.

Overall we aim to reduce the quantum of estate which will be managed more flexibly, more intensively (better utilisation) and for longer (7 day working).

CHALLENGES

In HIOW we do have a large number of high standard, well-kept sites such as the Hampshire Local Improvement Finance Trust (LIFT) properties. However, we also know that a portion of the NHS estate is not necessarily fit for its current purpose with, significant portions of the estate being poorly utilised, poorly maintained or unused (or a combination). The STP can address these weaknesses whilst helping to reduce the funding gap by highlighting the potential revenue savings across HIOW.

Key issues in HIOW:

- A large amount of community estate is underutilised.
- Three of the five acute trusts have sites that are unsustainable.
- There are significant challenges in primary care with overburdened GPs, growth in demand exceeding growth in workforce and a large number of premises that are not fit for purpose.

In addition, although detailed data is unavailable, our research shows that a significant portion of the estate is not fit for purpose or does not meet modern standards, which in some cases applies to large facilities. Linked with its future forensic services strategy and following input from the CQC, Southern Health, for example, is currently investigating the potential of replacing its medium secure unit. Similar requests from the CQC have been made to UHS in relation to its General ITU.

SAVINGS: TOP-DOWN ANALYSIS

By looking at national case studies and using current knowledge from other workstreams in the STP, we have identified five opportunity areas whereby substantial revenue savings can be made and then an area held for investment costs. These are summarised in the table below.

Opportunity area		Impact	Plan for delivery
	Reduced demand for Estate	Saving	• Acute alliance – efficiencies due to service optimisation, shared services and linked investment strategies • Monitor impact of channel shift and digital
	Increased utilisation	Saving	• Understand utilisation across strategic sites • Bring acute ratio of clinical/non-clinical floor space to optimal amount • Build from plans outlined for better utilisation in SEPs
	Flexible working	Saving	• Increase use of existing flexible work policies and new flexible working schemes • Aim to increase ratio of employees per desk • Provide employees with equipment to work from home
	Reduced operating costs	Saving	• Work with Academic Health Science Network to reduce energy costs on strategic sites • Better facilities management across all sectors • Improve procurement methods in trusts
	OPE and shared services	Saving	• Accelerate links with One Public Estate (OPE) to see how Health and Care share public estate • Broaden back-office services
	Investment	Cost	• Continue with plans outlined for investment from SEPs • Look to understand hubs, their definitions and how they can support new models of care

FIVE OPPORTUNITY AREAS

Reduced demand for Estate

The reduction of demand on the NHS estate will come from optimisation in the acute sector, a more innovative use of technology and improved population health.

The STP proposes a new acute alliance between Solent-based trusts which in time may incorporate the whole of HIOW. We are yet to plan in detail how this alliance will work, however we anticipate that we will benefit financially from joining up acute services. We expect that some back, and possibly front and middle, services will be shared thus providing an opportunity to reduce their total GIA related to these services. Furthermore, in the North, major estate rationalisation opportunities may arise once the sustainability issues in North and Mid Hampshire are resolved.

The use of technology, which is a major theme in the HIOW STP, will allow clinicians to remote monitor patients and help them self-care. This will mean fewer hospital admissions and re-admissions. Also investments that concern the movement of patients from more expensive channels to less expensive ones, such as increased web consultations, will free-up GPs' time. This will result in a reduction in hospital admissions as GPs will be able to use the free time to tackle case management and disease management in a more proactive manner and increase secondary prevention. These changes to patient treatment flows will mean that more clinical and non-clinical acute estate will be able to be released.

Below are the criteria for the impact that reduced demand will have on our estate.

	Impact	**High**	**Medium**	**Low**
Reduced demand for Estate	Criteria	- large uptake of self-service - large impacts of digital technology reducing demand - strong population health in HIOW	- reasonable uptake of self-service - reasonable impacts of digital technology reducing demand - medium population health in HIOW	- negligible impacts from uptake of self-service - negligible impacts of digital technology reducing demand - poor population health in HIOW
	Demand reduction	20%	13%	5%

Increased utilisation

Space utilisation is a measure of whether and how space is being used. Utilisation rate is expressed as a percentage and gives an indication of the frequency that a room is used and takes into consideration the room's capacity. There is a large spread across the sectors of estate in their level of space utilisation. Hospitals are nearly at maximum capacity and have very high utilisation of the premises (estimated at 90%) whereas in community estate the utilisation sits at around 40%. Using sources such as SHAPE, ERIC and discussion with stakeholders, we estimate that our current overall utilisation of premises is as shown in the table below.

NHS sector	**Current overall utilisation (%)**
Acute	90%
Community	40%
Primary	70%
CCG	55%

Clearly, in the community sector there is a considerable amount more that we can do to better utilise our existing estate. By improving the utilisation in our strategic sites we can reconfigure and release some estate thus making revenue savings. This is already being addressed and work is underway as mentioned in the SEPs summaries from each CCG.

There is very limited opportunity to increase utilisation in the acute sector due the average utilisation being very high and holding a large amount of clinical floor space.

	Impact	**High**	**Medium**	**Low**
Increased utilisation	Criteria	Possibility of: - much improved site organisation - meeting rooms being regularly booked (>70%) - more shared office desks - option to relocate	Possibility of: - reasonably improved site organisation - meeting rooms booked more often (in use >50%) - more shared office desks	Possibility of: - slightly improving organisation of site
	Increased utilisation	20%	10%	5%

Flexible/new ways of working

Flexible and new ways of working give employees flexibility on where, when and how long they work.

Research from DEGW, industry leading workplace consultants, consistently shows that individual office space is only used between 30-40% of the time. Flexible/mobile working makes it possible to use considerably less space and use it more effectively. Research is based on success in the private sector, and whilst it may be difficult to achieve the same level of success in the public sector, the same methodology can be applied for much of our estate. By applying this to health and care we will have to spend some on-going costs for portable electronic equipment and provide remote access to healthcare records.

	Impact	**High**	**Medium**	**Low**
Flexible/ new ways of working	Criteria	Possibility of: - 30% space reduction - shared space areas - multi-functional spaces - 1.5 employee to desk ratio Can be applied to 70-100% of estate	Possibility of: - 15% space reduction - shared space areas - 1.2 employee to desk ratio Can be applied to 30-70% of estate	Possibility of: - 5% space reduction - Possible improvement employee to desk ratio Can be applied to less than 30% of estate
	GIA reduction	30%	15%	5%

Reduce operating costs

In addition to making revenue savings by reducing the GIA on our existing estate, we can also find innovative ways to reduce the operating costs of this estate. The operational productivity and performance in acute sites was a key area addressed in the Carter Review published in February 2016 which highlighted that we could save £1bn on annual revenue costs at a national level. It highlighted that variation of running costs was shown to be at its highest when compared with the use of space in trusts. It is recommended that trusts should operate with a maximum of 35% of non-clinical floor space and a maximum of 2.5% of unoccupied/underused space.

Several areas were highlighted whereby operating costs could be saved in hospitals including energy spend, cleaning and food services. The review indicated that 25% of energy costs could be saved by using LED lighting, combined heat and power units, smart energy management systems and so on. A combined savings potential of 16% was outlined. However, further review will need to be carried out to see how this applies to the acute sector in HIOW and account taken for the inclusion of PFI contracts which are often included in operational cost figures.

Currently Wessex Academic Health Science Network (AHSN) is involved in a benchmarking study to improve energy efficiency for NHS and universities across Wessex. In the NHS side of the study, they are focussing on CCG key strategic sites as well as PFI/LIFT buildings.

	Impact	**High**	**Medium**	**Low**
Reduced operating costs	Criteria	Possibility of: - LED lighting schemes - CHP (combined heat and power units) - smart energy management - innovative use of Internet of Things - reduction in acute non-clinical floor space - improved facilities management Can be applied to 70-100% of estate	Possibility of: '- smart energy management - reduction in acute non-clinical floor space - improved facilities management - Can be applied to 30-70% of estate	Possibility of: - improved facilities management - Can be applied to <30% of estate
	Operating cost reduction	20%	12.5%	5%

Shared services and co-location

This opportunity has two aspects.

The first aspect relates to sharing services. By sharing back-office and administrative services, we can achieve substantial savings through economies of scale. For example, Northumbria have formed a shared payroll function which provides services to over 40 clients and has therefore reduced their cost per payslip to 26% below the national average. In terms of estate in HIOW it may be possible to release estate due to sharing services over wider areas and therefore requiring fewer offices. The new Solent-based alliance could provide an opportunity for shared back-office services.

The second aspect relates to co-location. Since the One Public Estate programme began in 2013, its objective of bringing public sector services into one estate has created a substantial shift in the landscape of public sector asset management. One of its key objectives is to reduce occupied space in order to reduce property running costs. There is a range of different ways that co-location can occur across parts of the public which results in a range of cost savings for the NHS (savings on NHS estate are very project dependent). There have been examples whereby the running costs of public estate have been expected to fall considerably.

One example is the new Mildenhall public services hub in Suffolk which will see a range of public services such as education and health delivered from one or two sites instead of eight, delivering an estimated running cost reduction of 50% over 25 years.

	Impact	**High**	**Medium**	**Low**
Shared services & co-location	Criteria	Possibility of: - significant capital receipts - 20-25% reduction of corporate costs - Few restrictions to land release	Possibility of: - sizeable capital receipts - 5-20% reduction of corporate costs - Some restrictions to land release	Possibility of: - small capital receipts - <5% reduction of corporate costs - few benefits in sharing services - Many restrictions to land release
	GIA reduction	25%	15%	5%

Based on the definitions above we have assessed the relative impact of each opportunity area against each sector on the HIOW estate. This is summarised in the opportunity map below.

	Acute	**Community**	**Primary**	**CCG**
Reduced demand for Estate	High	Medium	High	Low
Increased utilisation	Low	High	Low	Medium
Flexible/new ways of working	Low	High	Low	High
Reduce operating costs	High	Medium	Low	Low
Shared services & co-location	Medium	Medium	High	High

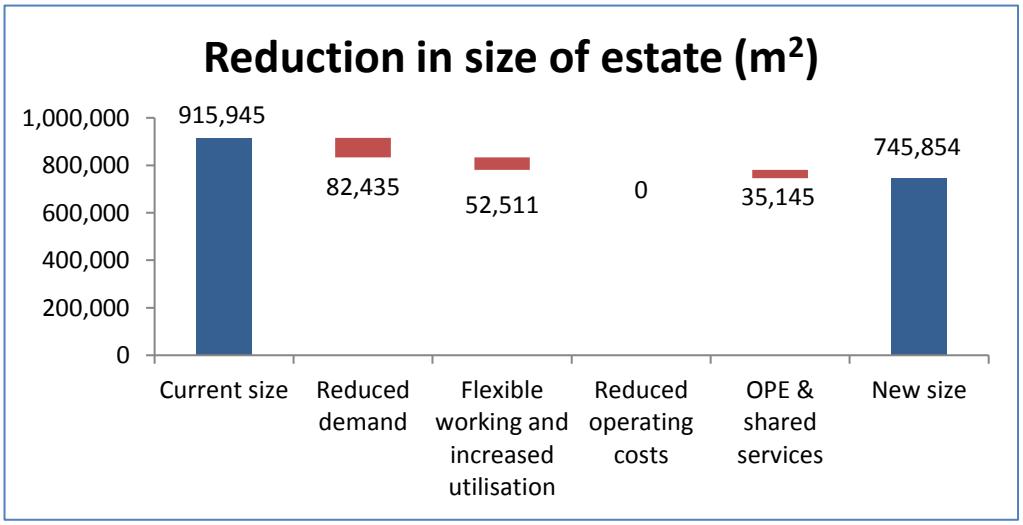
This opportunity map provides a way to estimate the amount of GIA that can be saved. It is important to understand that there are interdependencies between opportunity areas (e.g. the same estate cannot be released twice) and between sectors. First, the savings potential was calculated independently to understand each of the opportunity's relative saving potential; and then dependently with each other, one after the other, which can be seen from the table below. Note that is has been assumed around 40% of the estate will be encumbered in some way.

This is a net revenue savings figure.

Opportunity area	Reduction (%)	New spend	Saving	Size of estate (m2)
Current spend	-	£258,100,000	-	915,945
Encumbered (PFI/LIFT/difficult to apply opportunities)	40%	£154,860,000		
Reduced demand for Estate	9.0%	£140,922,600	£13,937,400	833,510
Flexible working & increased utilisation	6.3%	£132,044,476	£8,878,124	780,999
Reduce operating costs	5.0%	£125,442,252	£6,602,224	780,999
OPE & shared services	4.5%	£119,797,351	£5,644,901	745,854
Total saving			**£35,062,649**	

Some additional considerations have been factored into this calculation including the assumption that the implementation of the revenue savings will accrue some additional revenue spend on the remaining estate. This is because the increased utilisation on estate will require higher maintenance costs thus increasing the annual cost per square metre. We also recognise that whilst revenue savings will be made by moving GPs from their premises into MCP hubs, there will be corresponding revenue costs in the new buildings associated with those hubs.

The impact that this has on the size of our estate is a reduction of 170k m^2 which can be seen in the chart below.



OTHER OPPORTUNITY AREAS

In the first STP estates stakeholder meeting we identified 10 opportunity areas. These include the 5 opportunity areas stated above, but also 5 additional opportunity areas that are either non-monetary or that we cannot estimate at this stage. These 5 are as follows:

Opportunity	Notes
Asset disposal and investment	Not opportunity area as such. It refers to the savings/costs to come out of estates STP initiatives
Intelligent estate and Internet of Things (IoT)	An example of this may be using sensors to monitor whether beds are free in acute wards thus helping to fully utilise space.
Finance: commissioning and incentivisation	Understanding financial contracts which may constrain asset disposal and reducing running costs e.g. PFI and GP premise ownership
GP estate and property challenges	Referring again specifically to GP ownership of their premises, but also the poor condition that many of the premises are currently in
Models of care and service	This will be reflected in the investment section of the STP. Estate that can facilitate MCPs, also perhaps shell and core models

These areas could act as further savings potential, such as intelligent estate being able to reduce running costs; or they could act as barriers to realising the estimated savings potential, such as PFI contracts restricting the disposal of estate. These have not yet been modelled in detail.

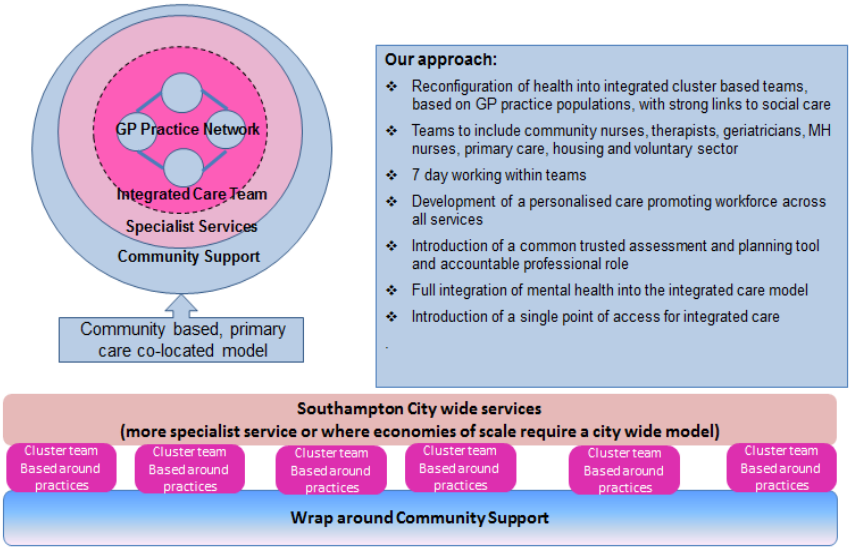
INVESTMENT

So far discussions with stakeholders have been centred on capital investments costs for implementing New Models of Care. This will involve investment in MCP and other types of hubs. Hubs will facilitate the formation of multidisciplinary teams which join up health and social in order to give a more holistic approach to patient care. These teams may include community and mental health nurses, therapists, primary care and elderly care physicians, housing workers and voluntary sector workers. GPs will form the core of MCP hubs.

In HIOW, the programme of change to implement the new models of care, notably investment in hubs, will continue to develop over the next few years. This will involve the continued development of the South Hampshire Multi-speciality Community Provider (MCP), known as Better Local Care, and the North East Hampshire and Farnham Primary and Acute Care System (PACS) Vanguards (or pilots) in various areas across Hampshire. The models of care are predicated on delivery within 'natural communities of care' and are defined by a number of factors including, most notably, local authority boundaries, natural and geographic associations and historical definition. Each natural community is developing new ways of planning and delivering care and is likely to have differing demands and challenges due to population growth and the need for more open access, including same-day appointments and weekend opening for GP practices.

Southampton Case Study – 'Better Care' Southampton Programme

The Better Care Southampton programme, jointly lead by Southampton City Council and NHS Southampton City CCG, looks at developing integrated services for patients. A key component of the programme is the formation of multidisciplinary teams organised around "clusters" of GP practices. Below is a diagram of Southampton's MCP model.



The implementation phase will begin in 2016/17. The prospect relies upon an efficient and effective estates infrastructure is required for its success. Funding from OPE 4 and ETTF will contribute to fulfilling an Estates plan which supports the delivery of Better Local Care. There are three key projects outlined in the OPE 4 bid from Southampton, one of which is the provision of a Community Hub to co-locate Public Sector assets and assist with re-generation of the area. It will pilot one of the six clusters for the delivery of Better Local Care Southampton.

Better Care Southampton is one of the areas within the parent Better Local Care programme. The emerging MCP operating model within the Better Local Care, covering the integration of primary and community health and social care services, can be described across 4 domains:

- Improved access to primary
- Extended primary care teams
- Delayering specialist support
- Promoting prevention and self-management

GPs, community and mental health providers, and commissioning colleagues are working alongside other health and care professionals and third sector partners to take forward the operating model that will be required to support these domains within their particular area and are at varying points of progress. Changes have already taken place or are in the process in the three early implementer sites at Gosport, South East Hampshire (Petersfield & Borden) and West New Forest. These implementer sites are being followed by the other natural communities within the overall Better

Local Care programme of change, including Havant & Waterlooville, Fareham, Eastleigh and Southern Parishes, Romsey, Totton and Waterside, Winchester, Andover, Alton, Basingstoke and Southampton. Although the main focus on this change is the support of patient's needs in each natural community, it is also about integrated working with other partners, such as social services and voluntary services.

Similar to the above, work is occurring in the North East Hants and Farnham PACS, additionally involving acute hospital services in the area.

The estate required in the future is likely to depend on the intentions of each local community in providing both primary and secondary care and the level of out-of-hospital services that is agreed, which will need to flex and morph as this develops. This estate should be standardised to facilitate typical new models of care, but also flexible so that it can respond to the needs of the locality. A review of the existing estate in each natural community is being undertaken to establish the current or proposed strategic hub sites required and the likely investment needed to ensure they are fit for purpose. Estate consolidation and rationalisation opportunities linked with the development of extended primary care teams, such as Integrated Care Teams, GPs, Mental Health and Children Services is also being considered.

These proposals are likely to result in numerous changes within the estates of the Provider Organisations and Primary Care practices, as well as Community Health Partnerships, NHS Property Services and the further public sector estate linked with the One Public Estate programme. The changes will be monitored by the commissioners working in partnership with local stakeholders via the Local Estate Forums.

In order to achieve a better understanding of investment in hubs we will need to work collaboratively with providers and other workstreams in the STP, especially digital, to define what a typical hub looks like. Estates, technology and clinical staff need to explore questions relating to a hub's purpose, what services it provides, the impact it will have on primary and acute care, and what estate is needed to facilitate this.

Current sources of capital funding are ETTF, OPE and capital markets. The capital receipts acquired from the co-location and reconfiguration of other community services such as police/fire/leisure will contribute to the capital required for community hubs. However, these capital receipts may not be enough to cover the investment required. In order to raise the required capital we may be able to make use of Public Private Partnerships.

Over the next five years capital funding will mainly cover:

- New MCP and other types of hubs
- Minor and major refurbishment of community/acute hospitals
- Rationalisation of estate – feasibility studies etc.

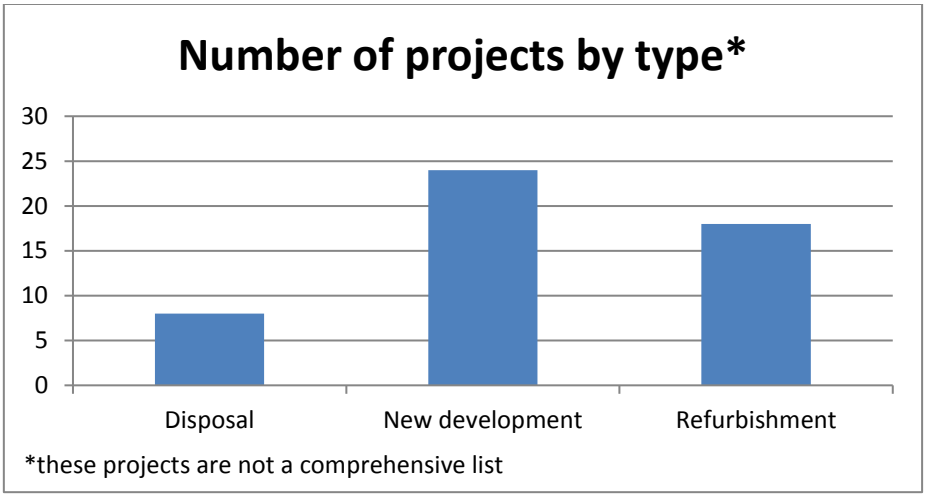
Revenue implications:

- Savings from moving GPs out of premises
- Costs from build/refurbishment of estate for hubs

We do not yet have an estimate of either capital or revenue costs incurred from investment. The revenue savings impact may affect the estimated savings potential.

SAVINGS: BOTTOM-UP ANALYSIS

Over the last 6 months a number of projects have been created which are outlined in local Strategic Estates Plans (SEPs). So far the SEP outlined projects can be categorised as follows:



The majority of projects involve investment, new development or refurbishment. Many of these projects involve the build of community hubs which remove the divide between primary/secondary/ social care and help to facilitate new models of care. This is aligned to the GP Forward View published in Apr 16' which highlights the importance of hubs as fundamental element of future plans in primary care. There are also three projects which involve the creation of an ICT locality hub to support local technology needs which could potentially support initiatives from the technology side of the STP.

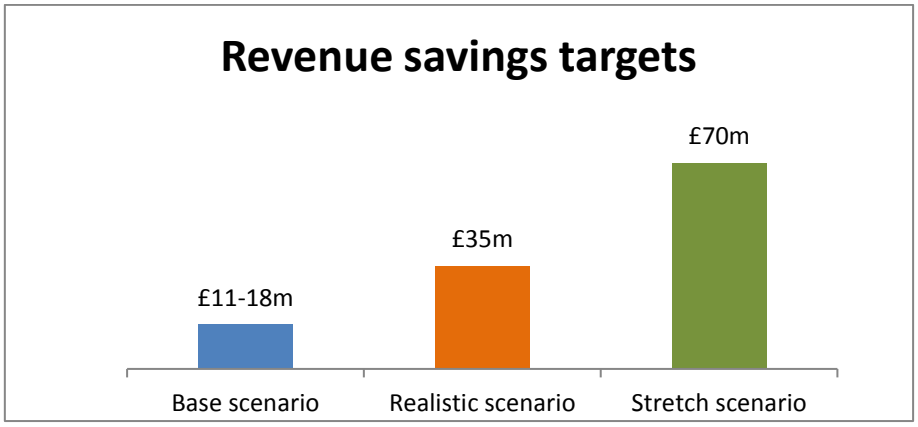
The identified savings are split between the 'reconfiguration' and the 'provider cost efficiency' categories within section 5 of the STP. A third to a half of the savings of this total has already been identified as part of provider cost improvement programmes (£11-18m).

OPPORTUNITY SAVINGS: TARGET SUMMARY

To summarise our savings analysis, we have three scenarios that can unfold over the next five years:

1. The top-down analysis that uses an academic approach of looking at national case studies and how these opportunities can be applied on our estate portfolio. Estimated at **£35m** (realistic target).
2. The bottom-up analysis that builds on the planned work outlined in each of the CCG's SEPs. Estimated at **£11-18m** (base target).
3. An initial figure of **£70m** (stretch target) was proposed to our stakeholders before constraining factors had been taken into consideration. Further review revealed this to be an unrealistic target once the following constraining factors were taken into account:

- Comprehensiveness/depth – contracts around PFI/LIFT buildings mean that the opportunity areas cannot be applied to the entire estate. Any additional encumbered estate will also limit the depth to which the opportunity areas can be applied.
- Timescale – there will be time constraints around realising the potential savings which means they may not be realised within the STP's five year period. This may include lengthy multiple-year consultations.
- Underestimation of interdependencies – feedback from stakeholders indicated that, in the top-down analysis, we originally underestimated the amount of interdependency between the opportunity of 'increased utilisation' and the other opportunity areas.



For the moment the stakeholders will pursue, refine and develop the realistic scenario.
Stakeholders' aim is to strive for £35m of contribution to closing the HIOW financial gap by 2020/21. This figure is calculated from a top-down perspective and captured at a snapshot in time. It is subject to further review and refinement in light of the STP transformation proposals and at a time when more granularity is achieved over how the five opportunity areas can be fully realised from local initiatives.

SCENARIO MAP

Opportunity area / Scenario	Reduced demand for Estate	Increased utilisation	Flexible work	Reduced operating costs	OPE and shared services
Stretch	• Significant rationalisation including potential review/repurposing of an entire acute facility • Substantial acute back-office saving flowing from alliance • Nationally identified inappropriate GP contact eradicated through channel shift • Digital moves at a fast pace • All GPs decant to hubs in 5 years	• Substantial improvement in utilisation in community sector, small improvement in acute/primary	• 'Modern' flexible working policies developed and implemented which compare with the average in the private sector and best in the public sector • Comprehensive and rapid mobile working investment and uptake	• Best in public sector class energy efficiency and facilities management value for money and procurement expertise by year 3 • Exceed Carter review recommendations	• Patch develops its own more substantial version of OPE with greater funding and possible investment partners
Realistic	• 'Parcels' are released/repurposed through acute site assembly • Significant back-office savings are identified through the alliance • Channel shift successful but doesn't reach full potential in 5 years • Digital is somewhat investment constrained • 50% of GPs are in hubs by year 5	• Significant improvement in community utilisation, no improvement in acute/primary	• Reviewed and improved policies and comprehensive commitment across patch to align implementation • Mobile working significant but only comprehensive towards the end of the period	• Average public sector value for money and efficiency is slower to realise • Meet Carter review recommendations	• OPE or similar initiatives are able to facilitate optimisation of public sector estate in each of the 20-25 'places' in HIOW with shared back-offices by year 5
Base (current initiatives)	• Current limited 'reducing demand' initiatives	• Small individual site-based efforts to improve utilisation	• Current patchy but improving flexible working policy implementation and limited mobile working	• Some isolated examples in practice in value and efficiency	• Current limited OPE 4 funding focussed around local government with a limited number of schemes

RISKS

There are some risks to implementation of this EEP document which are set out in the table below. At this point in time and with the level of information available, we can highlight these risks and record their corresponding mitigations.

Risk	Mitigation
NHSPS have indicated that may increase the rent for their property in line with market rents. This would increase the revenue costs for our estate.	This document is not the final iteration and the estimated annual revenue savings will be under continual review
More land/property is encumbered than we have estimated because of low-quality estate, organisational self-interest, local politics etc.	Bottom-up estates assembly plans will help to inform the true amount of encumbered estate
Devolution and other ongoing discussions mean it may not possible to build dialogue around saving on estate at the HIOW level	Formal estates group to meet up in regular sessions in order to implement STP Estates priorities
Availability of capital	Less capital intensive solutions
Availability of revenue for when services are in the process of change	Well scoped plans to be submitted in the Sustainability Transformation Fund (STF)
Other workstreams fail to deliver. e.g. limited investment in digital	Constant review and linking of project management together. e.g. ensure alignment of STP and LDR to give best chance of sufficient funding
Uneven appetite for change across the sub-regions within HIOW	Using the formal estates group to promote healthy collaboration and share data/information around where the needs/opportunities lie
Resolution around the acute situation in Mid and North Hampshire results in minimal estates rationalisation	See CTH references to acute services review in the main body of the STP. This document is not the final iteration and the estimated annual revenue savings will be under continual review.

GOVERNANCE

Stakeholders believe that the STP is an opportunity to relaunch and refresh arrangements that have been relatively dormant in recent times to mark a change to a more active and challenging Estates environment.

An estates group needs to be formalised in order to carry forward the work coming from this STP. There is agreement amongst stakeholders that this is the case and that an official 'ways of working' document will need to be published in order to outline the objectives of such a group. Initial suggested objectives for this group are:

1. To oversee progress towards the targets set out in this document by undertaking periodic stocktakes

    a. Achieve target revenue savings by 2020/21
    b. Create a more comprehensive HIOW estates strategy
2. To find solutions to systemic problems at the HIOW level which are or may inhibit progress
3. To facilitate the sharing of needs and opportunities between organisations
4. To feed into LIFT Co in order to source capital

This group will need to meet periodically to ensure that local, place-based initiatives are in line with plans from the STP. A bi-monthly arrangement has been suggested but not yet formalised pending clarity on overall STP delivery governance.

The HIOW locality falls within a geographical area that is predominantly coterminous with the operating area of the LIFT. The LIFT Public Private Partnership was originated by Southampton & Hampshire PCT's and set up to enable the provision of a partner organisation to support the health community in implementing its long term commissioning intention to meet the needs of the local population. Following the reorganisation of health systems in April 2013 the shareholding of Hampshire LIFT passed from the then PCT's to Community Health Partnerships (Ltd company owned by the Department of Health). Since this time Community Health Partnerships and Hampshire LIFT have been working closely with CCG's across the HIOW area in the development of strategic estate plans. These plans have identified a wide range of different estate opportunities which could be implemented and would support the delivery of the outputs included within the HIOW STP estate Submission.

The STP presents an opportunity to review and refresh ownership and management mechanisms and explore asset-backed or special purpose vehicles – building on the LIFTCO – such that arrangements are fully commensurate with the scale of the transformation challenge.

NEXT STEPS

The table below outlines the next steps to assist implementation of the Estates STP workstream. These actions will be an ongoing activity that will require continual review and adjustment.

Action		Description
1 a	Establish formal estates meeting group/entity	A group will be formalised around implementing the opportunities outlined in the STP. Representatives from provider trusts, CCGs and Local Authorities will agree to meet periodically, especially those in attendance at the STP Estates stakeholder meetings.
b	The group's objective	The objective of these meetings will be to ensure that organisations' estate plans are in line with the STP which proposes that we need to work together to make significant revenue savings. A challenging, yet realistic, target of £35m has been set out in the STP. The group will commit to sharing needs/facilities e.g. workspace, and will strive to improve and exchange estates data.
c	When the group will meet	At the final stakeholder meeting, held on 16th June 2016, it was proposed that the group should meet 3 or 4 times within the year.
2	Developing an estates strategy	This appendix document is an enabler for a formal estates strategy to be developed. The strategy will benchmark against the 5 opportunity areas outlined in this document. Against these opportunity areas the following questions will need to be repeatedly addressed: • Where are we now? • Where do we want to be? • How do we get there? An estates strategy document has been released by the government. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/144226/Developing_an_Estate_strategy.pdf

SUMMARY

The required revenue savings in HIOW will come from releasing estate and reducing maintenance costs of the remaining estate. Significant revenue savings can be made if we apply the opportunity areas outlined in the document. Current estate plans include significant elements but other elements are absent. Along with revenue savings, a reduced estate portfolio provides non-monetary benefits such as reduced carbon emissions and the process provides a chance to reconfigure existing services.

This document is a planning assumption at a point in time but does not yet fully reflect the changes the STP envisages or quantify the benefits required from the estate. Partners will need to work collaboratively to develop further iterations.

The overall conclusion of the workstream is that this needs to be delivered collaboratively, Commissioners and Providers, Health and Care and with other workstreams of the STP.

APPENDIX 1: LOCAL INITIATIVES

HIOW is covered by eight CCGs. The STP gives regional level strategies to assist CCG's local initiatives. The current local estates initiatives for the eight CCGs are as follows.

NHS North Hampshire CCG

Planned projects are shown in the table below.

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented	• Complete option appraisal at Alton and Basingstoke. • Dispose of Fairway House / Mulfords Hill / Hollies / Headway Place / Eastrop		• Co-location of health services in a new OPE facility in Alton	• Possible disposal of Alton Community Hospital and Alton Health Centre	• New 'at scale' centre in Basingstoke and disposal of 4 GP facilities

NHS South Eastern Hampshire CCG

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented	• Complete utilisation study of Oak Park Community Clinic • Sell surplus land at Oak Park • Disposal of Elizabeth Dibben	• Re-provision of Emsworth GP at EVCH site • Dispose of Emsworth GP site • Look at moving support staff into Havant civic plaza	• Re-configure Oak Park Community Clinic • Construct new Hub in Leigh Park • Sell Havant Health Centre	• Possibly construct new hub in Waterlooville	• Create new hub in Whitehill and Bordon • Dispose of Pinehill • Disposal of Chase CH

NHS Southampton City CCG

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented	• Complete Solent HQ move and Adelaide backfill • Revised estate strategy end 2015, with primary care additions • PCTF tranche 2 applications	• Confirm PCIF applications • Complete Primary Care Hub Strategy • Finalise estates strategy and Western/RSH Outline Business Case	• Complete PCIF investments • Demolish DoP building at RSH	• Complete RSH/Western reconfiguration	

NHS West Hampshire CCG

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented	• Complete clinical vision workshops per locality–Jan/Feb • Complete Options Appraisal for Andover, Ashurst and Milford on Sea. • Complete OBC Hythe Redevelopment • Utilisation review LNFH • ? Establish Programme Board – Winchester • Complete primary care estates survey	• Commence building Hythe War Memorial Hospital • Submission to TF NHSE re Andover • Commence options appraisal Eastleigh & Moorgreen • Ashurst consolidated	• Complete Hythe redevelopment • Commence options appraisal Romsey redevelopment	• Complete Milford redevelopment	• Complete Moorgreen redevelopment • Complete Andover HC redevelopment

NHS Fareham and Gosport CCG

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented	• Utilisation study of FCH. • Sell surplus land at Fareham Community hospital • Look at Gosport 2nd hub in line with MCP's	• Utilisation study of GWMH, Brune MC, Gosport MC and Rowner HC	• Re-configure Fareham Community hospital • Move services in to FCH from facilities that are not fit for purpose	• Construct new hub in Fareham Town Centre • Construct 2ndhub at North Gosport in line with OPE	• Possibly create new hub in North Whiteley

NHS Isle of Wight CCG

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented		• Complete business cases & approvals for two locality hubs (S.Wight & Newport) & re-provide one rural GP practice	• Re-develop the St Mary's site in Newport	• Complete rural GP practice re-provision	• Complete two locality hubs • Two disposals

NHS North East Hampshire Farnham CCG

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented	• Proceed with ITC pilot in Farnham, inc. building adaptations • Proceed with interim ICT base in Farnborough fire station • Develop FRS for ICT accommodation and ways of working • Progress with design & Spec. for Yateley ICT • Implement ICT hub in Aldershot	• Complete feasibility study in to future site options for Fleet, inc. new GP Surgery and Fleet Community Hosp. • Complete works to create Yateley ICT hub • Review outcomes of Community Bed Review • Agree scheme designs for ICT Health Hub in Farnborough • Prepare / submit bids for Infrastructure improvement funding	• Commence Primary Care estate works & rationalisation in Farnborough and in Fleet • Complete appraisal study for CCG HQ office options • Commence design and specification work for Fleet Community Hub and site remodel • Commence Fleet Community Hub site remodel	• Complete FleetmCommunity Hub re-model • Complete Primary Care estate changes in Fleet • Complete ICT Health Hub in Farnborough • Complete Primary Care estate rationalisation in Farnborough • Review and Update Estate Strategy	

NHS Portsmouth CCG

Benefit timescale	2015/16	2016/17	2017/18	2018/19	2019/20
Key Projects to be Implemented	• Disposal of some community buildings • Survey work on GP and community estate • Commence feasibility study • Disposal of light and Gleave Villa • Sale of St James – Phase 1 • Sale of Acorn Lodge and Community Loans Store	• CCG relocate to Civic Offices (achieved early in Feb 16) • Refurbishment of major community hospital (St Marys to enable sale of St James • Ongoing review of void space and lease break opportunities • Completion of Cotswold House refurbishment	• Clinical hubs in place • Vacant possession created in community hospital – expected sale of St James phase 2 • Ongoing review of Solent estate, including admin and back office review.	• Reprovision of GP provision North of City	• Ongoing review of GP estate in light of new clinical hubs and outcomes of feasibility studies.