

Estates Management Update 4 April 2012

Transfers to Providers

The Government in August last year issued a guidance document on the Primary Care Trust (PCT) Estate that provides for the:

- Transfer of PCT properties delivering community healthcare via provider NHS Trusts (including Foundation Trusts) to those Trusts.
- PCTs (before the transfer date) to enter into formal property agreements with minority occupiers of these transferred properties and via existing directions to occupiers of retained properties. Leases with GP's are being co-ordinated with the LMC and we are seeking to adopt a joint approach with the LMC and other Clusters. All other leases are in the process of being agreed or issued to tenants.

Lists of properties that could transfer were agreed in principle with the Providers and submitted to the Department in October 2011. Since then further initial advice has been received on the transfer documentation and accounting principles. The timeline for the transfers has now been aligned with the transfer of other properties and will take place at Midnight 31 March 2013.

The transfer of property will also include transfer of the associated estates staff and termination or novation of the relevant property service contracts. The staff and contracts are currently being mapped by Cluster Estates to determine precise numbers and the appropriate transfer strategy. These transfers will generate further contract amendments.

NHS Property Services Ltd

NHS Property Services Ltd (or PropCo) was announced by Andrew Lansley on 25 January 2012 as a government owned limited company to take ownership and manage that part of the PCT estate not transferring to the NHS community care providers. Properties will include some operational estate, estate with multiple occupiers, office and administration spaces, and surplus estate. Existing contractual arrangements with service providers that deliver and maintain NHS Properties will remain in place to support the needs of this property. The Companies objectives are to:

- Hold property for use by community and primary care services
- Deliver value for money property services
- Consolidate management of the Estate
- Deliver and develop cost effective solutions for community health services
- Dispose of property surplus to NHS requirements
- Drive greater efficiency into the Estate
- Manage PCT Property worth £6.6 billion (£4.6 billion is freehold)

It is intended that Staff will know their destination within NHS Property Services by 31 December 2012 and all properties are intended to transfer at midnight 31 March 2013.

However, we still cannot be certain about:

- Organisational structure, it is intended that it will have regional structure with London being one of the regions. The process of making senior board appointments is underway
- Numbers of Staff within scope, we have no information as yet on this
- Organisational design, work started on this in Spring 2012