SUPPLEMENTARY AGENDA II

NORTH CENTRAL LONDON JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE

Friday 28 January 2022, 10:00 a.m.
Remote meeting

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Councillors: Alison Cornelius and Linda Freedman (Barnet Council), Larraine Revah and Paul Tomlinson (Camden Council), Tolga Aramaz and Derek Levy (Enfield Council), Pippa Connor **(Chair)** and Khaled Moyeed (Haringey Council), Tricia Clarke **(Vice-Chair)** and Osh Gantly (Islington Council).

Support Officers: Tracy Scollin, Sola Odusina, Claire Johnson, Dominic O'Brien, and Peter Moore.

Quorum: 4 (with 1 member from at least 4 of the 5 boroughs)

AGENDA

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS (PAGES 1 - 2)

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

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Thursday, 27 January 2022

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Agenda Item 5

NCL JHOSC 28 January 2022 Estates Strategy deputation

Introduction

NLP last reported on the Estates plan in 2018. It stated that in order to access national capital funding, the then STPs had to submit an estates plan to the London Estates Board, and that delivering healthcare was against a backdrop of significant financial challenges. The JHIOSC raised several concerns, and many of these, we believe still apply, although the NLP plan attempted to address them. We urge the JHOSC to get answers to its and our questions, and resolution to its and our concerns, outlined below.

The **main risks** are

- the lack of accountability and democracy, the **erosion of NHS assets by the transfer of capital to revenue, sale to the private sector, or transfer to other public sector needs** e.g. housing.
- The failure of capital investment in the UK to keep pace with the growth in the workforce , and that lack has resulted in a fall of capital per worker, or **productivity**, since 2010/11.

Questions for the JHOSC and NLP

1. How are LAs and the community, patients and public **involved** in estates disposal decisions?
2. What sort of **updates** has JHOSC received on estates since 2018?
3. How can JHOSC assure itself, and ensure, that all the proceeds of capital disposals are used for **capital and not revenue** purposes?
4. How can JHOSC assure itself, and ensure, that all estates **value is retained within the NHS**, and does not result in a one-off sale/transfer, either to the private sector, or other public sector bodies?
5. What are ethe current measures /requirement from **NHSE** that force NCL to divest itself of its assets?
6. What are the **current plans** for transfers/disposals?
7. What **disposals have been made since 2018**?
8. Are all transfers/sales **documented in the public domain,** or are some secret, i.e. commercially sensitive?
9. What is the relationship between the land and buildings held by NHS bodies, and that held by e.g. the RF and UCLH **charities? Who controls what**?

National background

The national background is that the capital budget should be used to fund long term investment including new buildings, improvements, IT, and some maintenance. Since 2010/11, capital spending had declined in real terms and the capital budget in 2017/8 was 4.2% rather than the 5% in 2010/11, mainly because of **transfers from the capital to revenue** budget, for day to day running costs. The decline in the capital budget places the UK at a low level of capital investment in health by international standards, with fewer MRI and CT scanners than other counties, as well as doctors, nurses, and beds per head of population. 55% of the capital spending was on buildings, but 22% on machinery e.g. scanners, and 10% on IT. *(Health Foundation March 2019).*

However, machinery and IT are **depreciating assets,** and like washing machines do not contribute to the value of an estate, which over decades and centuries was purchased by previous generations of taxpayers. Once sold, land and property value is lost, unless it is reinvested in other land and property

and held in the public estate. It is truly **selling the family silver** and using the pawnshop, but knowing it will never be reclaimed.

NCL

In 2018, NLP stated that estates was a key enabler to delivering healthcare. It outlined the then maintenance backlog (£231 m pa and the variability in primary care buildings provision). It stated its priorities included increasing the operational efficiency of the estates, tackling maintenance, optimising running costs, and enhancing delivery capability by supporting workforce and digital enablers. The **gap between excess demand and available funding,** and the underlying **deficit** – (£208m in 2017/8) is a driver for the estates plan. It highlighted that substantial 'efficiencies' (savings /cuts) would be needed to remove the deficit and manage future pressures.

High land values in NCL give it a higher-than-average estates value of £570m in 2017/8, and is a 'key driver for major transformation projects e.g. RNOH in Stanmore, St Pancras, Project Oriel and St Annes. There is mention of options for long leases and sharing revenue by rental, but also site disposal for housing development for social and affordable homes, and Homes for NHS staff. However, unless these assets are used for buildings, and kept within the ownership of NHS estate, the value is lost to the NHS.

JHOSC concerns in 2018

JHOSC raised concerns about the need for: Local Authorities to be included as equal partners in estates work; for a values framework for estates decisions to ensure they benefit long term interests of residents; disposal profits not to be used to **prop up underfunding**; a regular plan of updates; an emphasis on good quality housing; the prevention of ill health; consideration of alternatives to sales; public information, and clarification of the estates board membership.

However, NLP's estates plan, clarified in the **governance structures**, that the decision maker is the NCL Estates board, with LAs, JHOSC et al *not* part of that group. Under **alternative funding sources,** it states e.g. that the Royal Free Charity is considering key worker **housing and offices** at Chase Farm, and UCLH Charity, the same on the North Middlesex site, and Royal Free is exploring partnerships with the **private sector**. Offices are certainly a depletion of value, but even affordable or key worker housing, though is obviously good in itself, is something we suggest is not something that the NHS should be providing, in a **one-off unrepeatable sale** or transfer, that depletes NHS assets; the NHS is so short of funds, it cannot afford to bail out other sectors.

As for **engaging with the public and councils**, in its list of Programme Risks, NLP cited the risk of lack of support at local community and political level, and that the outcome of consultations may not support changes required from a clinical/financial perspective. This highlights the need for JHOSC and Local Authorities to forcefully represent the community interest in the development of NCL Estate.

Brenda Allan & Alan Morton, NCL NHS Watch 250122