

The background of the entire page is a detailed, isometric illustration in shades of blue and white. It depicts a medical environment with various elements: a doctor at a desk with a laptop, a patient in a hospital bed, a person in a wheelchair, a group of people walking, a large pill bottle with an 'Rx' symbol, a tray of capsules, a DNA double helix, a heart rate line, and a large ambulance. The word 'HEALTHCARE' is written in large, 3D block letters across the center. The overall theme is healthcare and medical services.

NAYLOR REVIEW 5 YEARS ON BPF ANALYSIS

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Foreword

It has been five years since the landmark Naylor Review was published in March 2017, examining how the NHS could best use its estate to support its Five Year Forward View. The review made a comprehensive package of recommendations, which the government responded to in January 2018.

Robert Naylor himself is no longer in post but the majority of his recommendations were accepted in principle. That does not necessarily mean implementation happened quickly or even at all since then – we view this as an opportunity for engagement on where the Government goes next.

This BPF analysis contains a summary of activities to date against each of the review recommendations and outlines the continued advocacy priorities of the BPF Healthcare Committee in ensuring recommendations are delivered.



Recommendations: Improve capability and capacity to support national strategic planning and local delivery, Funding and National Planning

NHS Property Board

The first overarching recommendation made by Naylor's review was the establishment of an NHS Property Board. This Board should provide leadership at arm's length from the (then) Department of Health, align with NHS England and NHS Improvement, and bring together the functions of the existing NHS Property Services (NHSPS) and Community Health Partnerships (CHP) into a single function. It was recommended that this Board was established in "shadow form" by April 2018, involving key staff from the bodies mentioned.

In the government's response to the review, published in January 2018, they accepted this recommendation and stated that an NHS Property Board had been established. The Board was made up of representatives from the newly established Department of Health and Social Care (not at arm's length, though we were reassured that the strategic estates planning team would be), as well as partners across the NHS, wider government stakeholders, and representatives from NHSPS and CHP as recommended.

Since then, the NHS Property Board has been repurposed and is now referred to as the Strategic Infrastructure Board, described by the Health Minister last year as "the place for national partners to work collaboratively to guide the future vision of the NHS Estate". Shortly after this description, given at the NHS England and NHS Improvement National Estates and Facilities Forum, whilst speaking about a refresh of the Health Infrastructure Plan, Sir Robert Naylor himself condemned the board in an interview as "unable to make decisions".

Naylor's issues with the board included high ministerial turnover (which could have been avoided had the arm's length approach been adopted as recommended), as well as too large a number of members of "insufficient seniority", rather than it being a small group of very influential people to create strategy. DHSC said that the Strategic Infrastructure Board's first major job was to reflect on lessons learned during the covid pandemic and set new strategic direction. This does make it unclear what the board had been working on for the three years prior, at a time when the NHS has been under immense strain.

The Health Infrastructure Plan, published in 2019 by DHSC, referenced Naylor's review and stated that the vision outlined for the NHS estate in the government response remained their ambition, although it also highlighted the need for digital technologies and data sharing capabilities to provide better care. It's unclear how much of a role the Strategic Infrastructure Board had in the creation of the Health Infrastructure Plan. Indeed, it does not get a mention in the plan so presumably the vision for the board was not yet final enough at the time.

All this would lead to the conclusion that, despite the quick turnaround in creating the Board following Naylor's recommendation, it is still early days in terms of it commencing work and there is therefore an opportunity for collaboration on next steps.

40 New Hospitals

The New Hospitals programme will deliver 40 new hospitals across the UK by 2030. The Government announced the first 32 hospitals in 2020, and then opened up for NHS trusts to submit expressions of interest before choosing the final eight hospitals to be a part of the programme. This competition was

hugely oversubscribed, meaning there's a high number of projects that will remain unfunded and undelivered. Opening up routes to third party finance in these instances would make the delivery of more hospitals possible. The projects are already there, as are the means to finance them, there just needs to be levers put in place to clear the barriers to private investment.

The BPF's members and third-party investors would welcome the chance to work more closely with Government on opening up these routes to assist in the provision of healthcare infrastructure.

Recommendations: Encouraging and incentivising local action, Funding and National Planning

Sustainability and Transformation Partnerships (STPs)

STPs were first announced in NHS planning guidance in 2015, and cover all aspects of NHS spending in England, split into 44 geographical footprints.

The Naylor Review made several recommendations relating to these partnerships and their role in the Five Year Forward View, including that they should develop affordable estates and infrastructure plans with associated capital strategies, that these plans should be assessed against benchmark targets and providers failing to develop sufficient plans should not be granted access to capital funding, and that sale receipts be kept locally where disposal is in agreement with STP plans.

The government response to the Review mostly accepted the recommendations relating to STPs, noting that NHS providers are able to retain the receipts generated from the disposal of surplus land and property, and pledging to put in place new arrangements allowing NHS trusts to "bank" land

sales receipts within DHSC and draw them back with interest when needed to fund STP priorities. They did, however, maintain that properties owned by NHSPS and CHP are national assets and therefore receipts generated by their disposal would continue to be pooled nationally and reinvested in the NHS.

Since then, the new system of Integrated Care Systems (ICSs) has grown out of the STP network and covers England. ICSs are an initiative aiming to drive integration as set out in the NHS Long Term Plan, and will be made statutory by the Health and Care Bill, replacing Clinical Commissioning Groups, with responsibility for NHS strategic planning and addressing health and social care needs of the local population.

ICSs will be made up of Integrated Care Partnerships (ICPs), and Integrated Care Boards (ICBs) – the latter of which will hold the budget and responsibility for health services. These will be put in place on 1 July 2022, provided the legislation, which is currently in the final stages of passing through parliament, passes. All capital funding will then flow through the ICBs.

Announced in May 2021, new policy means that 50% of proceeds from disposals of property within the NHSPS estate will be shared locally at the ICS level and can be reinvested in the NHSPS estate or where the NHSPS has a legal interest. It also appears that in practice, DHSC has given up its pre-emption rights over the former Primary Care Trusts Estate, although a business case still needs to be made for proceeds to be retained locally and overage not to be paid to the Department. In general the experience seems to be that if a project and reinvestment has local STP/ICS support, DHSC are happy to accept overage being redeployed locally.

Other Recommendations: Primary Care and Housing

Primary Care

Another recommendation made in the review was for NHS England and the NHS Property Board to ensure primary care met the vision in the Five Year Forward View by linking payments to the quality of facilities and greater use of fit for purpose standards, whilst taking advantage of private sector investments.

This recommendation was accepted in the Government's response, which said strategic estate advisors would continue to provide advice on primary care estates to Clinical Commissioning Groups and local primary care commissioners, including advice on optimising alternative sources of finance, where these provided value for money for the taxpayer.

Primary Care is indeed one of the only routes where third party finance can still be invested – these schemes are GP led so do not fall within the NHS capital regime. Given the pressure on the NHS due to backlog maintenance and the New Hospitals programme, it would make sense that more third party solutions, such as health centre development or privately funded health facilities, be encouraged, rather than private investment being funnelled into a single project type.

More recently, the Government's Covid recovery plans focus on using space to build diagnostic capacity away from hospitals to tackle waiting lists. Whilst use of wider space in the community is welcome, consideration needs to be given to the fact that there are many health services which rely on accommodation alongside other primary care services so the need for more and better space there will still remain. On top of this, there is a huge drive in primary care to recruit additional health

professionals which is currently being held back by lack of physical space to accommodate them. So there is still work to be done in making this sector fit for purpose.

Housing

The other recommendations centred around housing – one being that land vacated by the NHS should be prioritised for the development of residential homes for NHS staff, and the other that urgent action should be taken to accelerate the delivery of a large number of developments to deliver said housing. These recommendations were accepted and the government announced that NHS workers would be given first refusal on affordable homes built on NHS land. They also included the disposal of smaller and lower risk sites in DfH's Surplus Land Programme to enable delivery.

NHS Digital produced live statistics on the NHS Surplus Land Collection for the fifth time in November 2021, showing that a total of 489 plots of land were declared as surplus or potentially surplus, of which 21 had already been sold. The estimated sales receipt for this surplus land was around £1.2billion.

Housing remains a priority for some of the NHS England Team but increasing the importance part of the solution to the burden on acute services will hopefully come out of better local joint working through the new ICSs as well as the Levelling Up agenda, and align with key elements of the Social Care White Paper.

We see this as a positive opportunity to engage at an early stage and influence how this policy moves forward alongside the Levelling Up and Social Care agendas in the coming few years.

Conclusion

It is disappointing that the Naylor Review has not yet led to much action. However, we are at an important point in time where there is the opportunity to now deliver on not only the Naylor recommendations, but perhaps more importantly, the NHS 10-Year Plan, the new system being implemented by the Health and Care Bill, and the Social Care White Paper.

The real estate sector is incredibly keen to contribute to the successes of these projects and help the NHS tackle the problems it is facing with its estate, which have been highlighted more than ever before by Covid. The Government now has an opportunity to work with the sector to streamline the routes by which they can do so. The NHS Estate is one of the key enablers of the huge and ambitious drive to modernise healthcare and its improvement can unlock opportunities for better patient experiences of care, staff recruitment and retention, and levelling up access to health services – it should certainly be a priority if the Government is serious about Covid recovery and Healthcare reform.



