

By going into partnerships with councils, can the NHS free up land for housing? Sophie Barnes reports on a government initiative to smooth the way for such tie-ups



What are the biggest problems facing NHS managers? Even the most die-hard housing geek is probably going to name pressure on accident and emergency departments, or dwindling finances as the priorities, rather than building homes on unused bits of NHS land.

Still, the Department of Health has tried to hurry NHS managers along in making better use of their sites, which would free up land to sell for housing and better arrange clinical services. But the work is slow going.

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In a bid to speed things up, the One Public Estate programme has stepped into the picture. A collaboration between the Local Government Association (LGA) and the Cabinet Office’s Government Property Unit, set up in 2013, One Public Estate has set a new goal - to encourage partnerships between NHS organisations and councils, coming to fruition by 2020. The idea is that councils can get on with housebuilding and the NHS can sell land, putting some money back into fast-emptying purses.

Targeted aims

So exactly what is One Public Estate doing to achieve these aims - and are homes being built as a result?

The programme, which has a broader focus beyond health, aims to expedite the sale of NHS land for homes by offering funding of between £50,000 and £500,000 to help NHS organisations and councils draw up strategies. Councils are seen by One Public Estate as important public sector partners for this work because they can concentrate on the housebuilding side of things while the NHS can offer the spare land.

The programme started as a pilot in 2013 in 12 local authority areas in England. Since then it has expanded to a further 127 councils and the government has announced £37m of funding to support it.

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The LGA and Cabinet Office aim through One Public Estate to help councils build 16,500 new homes - some of which are intended to be on NHS land - create 36,000 new jobs, raise £138m in capital receipts and save £56m in running costs over the next four years.

Such lofty ambitions will need to be underpinned by detailed plans from councils and NHS trusts, the organisations that run health facilities up and down the country.

“They need leadership and clear mapping of the estate so they’re clear what they own and on what terms they own it - that’s very important,” says Brian Reynolds, director of the One Public Estate programme.

We do know how much unused NHS trust land there is in England, thanks to Department of Health data-gathering. In 2015, 52% of the 242 trusts had surplus land, potentially enough for 14,264 new homes. The remaining trusts had no unused land. The latest figures on the sale of NHS sites from the Department of Health, from 2015, show 427 sites were sold, with 1,585 homes built on the land.

Trusts must complete ‘estate strategies’ to work out how to better use their land and which parts could be sold. To date, 70 have been published, and over the coming months details of surplus NHS land will be announced by the Department of Health. Trusts have also been

encouraged in this work by the Carter Review, commissioned by the Department of Health to identify up to £5bn savings in various areas including the NHS estate.

The Carter Review rates trusts as “good” if their non-clinical space, such as cafeterias or offices, is less than 35% of the total site. However, it found the actual figure varies anywhere from 12% to 69% of NHS estates, suggesting there is work to do.

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Shane Dегарис, chief executive, Hillingdon Hospitals NHS Foundation Trust

Co-ordinated approach

For the NHS, examining estates is important for medical reasons, to generate cash, make better use of large sites and reorganise clinical services to better meet patient needs. NHS managers are beginning to recognise the benefit of selling a piece of land to bring in money to do up the existing hospital buildings. Constructing affordable housing onsite also has its appeal, perhaps for staff at the hospital.

So why has progress been slow? Shane Dегарис, chief executive of Hillingdon Hospitals NHS Foundation Trust, a medium-sized trust in north London, explains: “I think everyone’s keen to do this so we can save some money, and recruit and retain staff. But from the NHS perspective it’s quite hard work. It’s like wading through treacle trying to get these things done. It takes a lot of time and at the same time you’ve got these day-to-day operational pressures, particularly around emergency activity.”

He adds: “We’ve been trying to get one of our sites unlocked for years and it’s really tricky. We own the entire site but we only occupy about a third of it, a third is empty and the other third is occupied by other tenants so to do anything takes a lot longer to get consensus.”

NHS sites also have large amounts of brownfield land that requires decontaminating before it can be developed into housing.

So can some of these problems be overcome by NHS trusts tying up in partnerships with local councils, as the programme run by One Public Estate aims to do?

Applicants must demonstrate how the programme can support their wider service transformation plans, for example, local health and social care integration. Applications can only be submitted through a partnership between a council and another public sector organisation.



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The programme has been rolled out in four phases; applications for phase four funding - £13m for 2016/17 and £18m for 2017/18 - were submitted at the beginning of May. Of the 24 partnership applications in phase three, 16 had a health aspect, an increase on previous phases where there were six in phase one and nine in phase two. Successful phase four bids have yet to be selected, but more than half the applicants included a health organisation. Not all of these include specific plans to build homes on NHS land - some will look to join up health and social care services to make better use of their estates. London in particular has taken the health side of the programme and run with it.

Mr Reynolds says the health site bids are mostly focused on the large hospital estates rather than smaller primary care estates, such as GP surgeries - because “that’s where you get the big opportunity, not just to build significant numbers of homes but also freeing up that resource into a more appropriate primary care setting”. The programme is hoping that by selling hospital land for housing some clinical services, such as diagnostic testing, will be reconfigured and moved into the community.

Mr Reynolds expects to see jobs being created, homes being built and “clear evidence” of integrated services or savings by 2020. He says the partnerships’ ambitions need to be “quite significant”.

“A few hundred homes isn’t really enough. We are looking for homes closer to or more than 1,000 rather than a couple of hundred [per site],” he adds.

Local autonomy

The LGA and the Cabinet Office leave it up to local councils to decide the mix of tenures delivered through the programme. “We’re quite well aware that if you’re in Newham [in east London] you might want to increase the amount of homeownership; if you’re somewhere else, social rented might be your thing,” Mr Reynolds says.

The initiative creates opportunities for social landlords. Hilary Blackwell, a partner at law firm Trowers & Hamlins, suggests trusts might consider a long lease arrangement with social landlords, where a landlord could manage a centre for patients who do not need to be in hospital but need some rehabilitative care before they can return home. This would free up hospital beds.

David Orr, chief executive of the National Housing Federation, recently blogged that land and property owned by the NHS “is not often put to best use”.

He added in the blog: “I can imagine a joint venture where a foundation trust provides the land on a long lease, the housing association builds a facility where people can leave hospital safely until they are ready to return home, where some homes are built for shared ownership for health service staff and some homes are built for affordable rent to help meet the housing association’s objectives. The finance for the development could come from capital markets or social investors with the repayment cost met from rents and licences.”

For tips on what such partnerships could look like, landlords and councils can examine the case of Leeds, one of the areas in which a council-NHS tie-up has already received funding from the programme. Leeds Council joined forces with Leeds Community Healthcare Trust to bring social care staff and community health staff under the same roof, and this staff move has just finished, and won just under £170,000 of funding from One Public Estate to make this happen.

The intention is to improve health outcomes by allowing staff across health and social care to work more closely together. A social worker will be able to speak to a community health worker about any concerns about patients and vice versa.

Mr Reynolds says: “They’re trying to get community health staff and social work staff to work in a way that delivers much more preventative health care. Plus what we will have is a number of homes built on land freed up by the programme.”

Steve Hume, chief officer for strategy and resources in adult social care at Leeds Council, says it has been a “logistical nightmare” at times to move staff under one roof. His experience also shows the challenges involved in delivering homes on former healthcare sites.

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Suitable spaces

The initiative has freed up one-and-a-half buildings. However, Mr Hume does not think these will be suitable for housing because they are offices with limited floor space. Instead, the council is likely to sell these spaces on the open market.

One Public Estate has ambitious and wide-ranging expectations and Leeds provides an on-the-ground example of the difficulties organisations can face in achieving improved health outcomes alongside freeing up land for more housing. Yet the opportunity for councils to hold strategic discussions with the NHS is something many have grabbed with both hands. Come the target date of 2020, the results of those strategies will become clear.

Partnerships in phases one and two with a health aspect

Barnet Council

Croydon Council

Kent Council

Greater Manchester Council

Hampshire Council

Hull Council

Leeds Council (two projects)

Liverpool Council

Portsmouth Council

Sheffield Council

Southampton Council (two projects)

York Council (two projects)