NHSBSA Property Strategy 2016

Background – National Context

1. In February 2015 the Chancellor announced the creation of a New Property Model (NPM) that would centralise the ‘ownership’ and management of central government and departmental freehold and leasehold property.
2. NHSBSA property would come under the NPM and the plan is that the centralisation will be delivered by 2019/20. This would include all property plus staff associated with our Property function.
3. The proposal is to charge department’s market rents to utilise property space to drive rationalisation and improve utilisation. In the first instance each department would be protected as it’s DEL allocation would be adjusted up or down to compensate for the change to market rents – for NHSBSA the increased cost is estimated at £3m p.a.

NHSBSA – The Current Position

4. The NHSBSA’s previous Property Strategy delivered:
   - A reduction in the NHSBSA and DH property holdings from twenty three properties to twelve and civil estate space by over 19,000 sq. m.
   - Acquired freehold space at Stella House, from BIS thereby perpetuating freehold office space on the central civil estate
   - Disposal of surplus, functionally obsolete freehold office space saving £2.3 million p.a.
   - Where the case to remain could not be made, delivered exchequer benefit by occupying surplus leasehold space in offices core to the civil estate (Cheylemore House, Skipton House, Coal Authority and Citygate)
   - Support for the government free school initiative with the disposal of freehold premises in Eastbourne to the Education Funding Agency and capital receipt of £1.5 million
   - Rationalised properties to achieve occupancy in some offices exceeding 1 person: 8 sq. m, and overall occupancy of 1 person: 9 sq.m.
   - Conformation with Cabinet Office and DH procurement models for specialist assistance; FM procurement and the use of DH P21+ procurement framework
   - Return of leasehold premises to the private sector, achieving savings in excess of £3 million p.a.
   - Commenced the strategic service integration with IT infrastructure, through cloud computing; Wireless networking; cloud telephony services provided by Capita; and IP based Video Conferencing

5. The current benchmarking KPIs for 2014/15 comparing the NHSBSA to the DH and DH cluster (DH plus other ALBs) shows strong performance.
Table 1: Property KPIs 2014/15

<table>
<thead>
<tr>
<th></th>
<th>DH Cluster</th>
<th>DH only</th>
<th>NHSBSA only</th>
<th>Difference ALL NHSBSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilisation (people : sq m)</td>
<td>8.28</td>
<td>10.09</td>
<td>7.77</td>
<td>-0.51</td>
</tr>
<tr>
<td>Total Property Cost per FTE</td>
<td>£5,076</td>
<td>£9,546</td>
<td>£2,383</td>
<td>-£2,693</td>
</tr>
<tr>
<td>Workstation Utilisation</td>
<td>8.54</td>
<td>9.43</td>
<td>7.09</td>
<td>-1.45</td>
</tr>
<tr>
<td>Total Property Cost per Sq m</td>
<td>£613</td>
<td>£945</td>
<td>£306</td>
<td>-£307</td>
</tr>
<tr>
<td>Workstations per FTE</td>
<td>0.97</td>
<td>1.07</td>
<td>1.10</td>
<td>+.13</td>
</tr>
</tbody>
</table>

Property Strategy 2016-21 Development: The Process

6. The Property Unit has taken the following into account in developing the draft Property Strategy 2016-21:

   i. NHSBSA Strategy and Strategic Goals
   ii. Heads of Service plans by business unit
   iii. Growth potential (per PWC report to April 2016 Board)
   iv. Leadership Team workshop

7. Table 2 below summaries the key business drives and property impacts by service.

Table 2: Heads of Service – Property Requirements Assessment

<table>
<thead>
<tr>
<th>Service</th>
<th>Business Drivers</th>
<th>Property Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prescriptions</td>
<td>• EPS will reduce staff levels by up to 30-35%</td>
<td>• No significant change to overall space requirements</td>
</tr>
<tr>
<td></td>
<td>• This will be off-set by new areas of activity:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Scanning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Guaranteed Minimum pension (GMP) calculations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Prescription storage expected to reduce from 18 to 6 months of paper prescriptions retained. No impact on property as 7-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>18 months prescriptions stored outside NHSBSA</td>
<td>Would require increased space in South Coast area – probably service via public sector property hub</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Dental</strong></td>
<td>• Expected to in-source DCSS and DECs service from Capita in 2017/19 period (to be confirmed)</td>
<td>• Increased utilisation of Bridge House – increase utilisation by adding twilight shifts and move to homeworking</td>
</tr>
</tbody>
</table>
| **HECS/Contact Centre**  | • Digitisation will reduce staffing levels required e.g. MATEX  
|                          | • Main area of growth is in eligibility checking (DECs and PECs) in Newcastle per business case agreed with NHS England  
|                          | • Contact centre increasing linked to DECs and PECs call handlers | |
| **Pensions/Student Services** | • No significant change in staffing levels proposed in new operating model (BAU) for Pensions  
|                          | • Guaranteed Minimum Pension (GMP) increases space requirement in the next 4 years  
|                          | • Student Services staffing levels to fall under proposal to move from bursaries to loans. Potential for service to cease with in next 3-4 years | • No change at Fleetwood in terms of space required overall |
| **Corporate Services**   | • No significant changes envisioned – see growth section Table 3. | • No impact planned |
| **Supply Chain**         | • New operating model with expansion of staffing up to 300 | • Mansfield site fully utilised. Would require new office space to be secured (locations not yet confirmed) |

8. The Board in April 2016, received details of the areas of growth potential following a review by PWC. The key areas were:

1) Expansion of eligibility checking service  
2) Scanning  
3) Data analytics
4) Payments processing
5) HR-L&D Shared Service
6) Pensions

At this stage only the Eligibility Checking Services are firmly planned supported by a business case agreed with NHS England. The Property Strategy reflects the expansion planned for 2016/17 utilising space in Bridge House, Newcastle, freed-up using twilight shifts and home working.

The Property Strategy needs to be flexible to facilitate other areas of growth, but at this stage there are no firm plans in place to allow for clear planning.

**Property Strategy 2016-2021**

9. The Leadership Team agreed the best way forward for the current property portfolio as outlined in Appendix 1.
10. This shows that a ‘hold’ approach is being adopted for most sites as current and projected business requirements do not indicate scope to downsize or dispose of key sites. The exception to this are shown in Table 3.

<table>
<thead>
<tr>
<th>Table 3 – Non-hold Sites</th>
<th>Strategic Views</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bridge House Newcastle</strong></td>
<td>Relocate and dispose - Previous LT strategy was to hold for up to 5 years (period ends 2017). Could be an early adopter in the Government hubs program, which would enable disposal. Currently supports 750 staff working 06:00-22:00 and at weekends</td>
</tr>
<tr>
<td><strong>City Gate Newcastle (NHS Protect)</strong></td>
<td>Relocate and dispose on expiry – possibly part of Newcastle hub</td>
</tr>
<tr>
<td><strong>Eastbourne St. Anne’s Road (Dental)</strong></td>
<td>Relocate and dispose. Acquire alternative to allow for in-sourcing of DCSS and DEC</td>
</tr>
</tbody>
</table>

11. The full Property Strategy 2016-2021 is included at Annex A.
## NHSBSA PROPERTY PORTFOLIO

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Property</th>
<th>Purpose</th>
<th>Key dates</th>
<th>Annual cost (000’s)</th>
<th>Strategic view</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold</td>
<td>Stella House, Newcastle - various HQ</td>
<td>Head Office</td>
<td>Purchased 2012</td>
<td>1500</td>
<td>Hold – freehold will transfer into Cabinet Office New Property Model (2019).</td>
</tr>
<tr>
<td></td>
<td>Unit A - Warehouse, Newcastle</td>
<td>Documents Storage</td>
<td>Refurb 2015</td>
<td>5</td>
<td>Hold – freehold will transfer into Cabinet Office New Property Model (2019).</td>
</tr>
<tr>
<td>Ground Lease only</td>
<td>Bridge House, Newcastle - Operational Services</td>
<td>Back office - Prescription / Contact Centre / Scanning</td>
<td>25/06/2066</td>
<td>1500</td>
<td>Relocate and dispose - Previous LT strategy was to hold for up to 5 years (period ends 2017). New survey to determine investment required to maintain safe environment. Could be an early adopter in the Government hubs program, which would enable disposal. Currently supports 750 staff working 6-10 and at weekends.</td>
</tr>
<tr>
<td></td>
<td>St Helens - NHS Protect</td>
<td>NHS Protect</td>
<td>31/3/2016</td>
<td>30</td>
<td>Disposed 1 April 2016.</td>
</tr>
<tr>
<td></td>
<td>Wakefield - Prescription Services</td>
<td>Back Office - Prescriptions</td>
<td>Expires 29/11/2015 - Holding Over</td>
<td>500</td>
<td>Hold - Renew for five years - Property held on two leases, renew and hold until end of lease in 2020.</td>
</tr>
<tr>
<td></td>
<td>Bolton warehouse - Prescription Services</td>
<td>Storage</td>
<td>Expires 31/10/2015 - Holding</td>
<td>50</td>
<td>Hold - Renew for 5 years - renew and hold until end of lease in 2020.</td>
</tr>
<tr>
<td>Tenure</td>
<td>Property</td>
<td>Purpose</td>
<td>Key dates</td>
<td>Annual cost 000's</td>
<td>s</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------------</td>
<td>------------------------------</td>
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<td>-------------------</td>
<td>---</td>
</tr>
<tr>
<td>Leasehold</td>
<td>Middlebrook, Bolton - Prescription Services</td>
<td>Back Office - Prescriptions</td>
<td>Expires - 31/10/2015 - Holding over</td>
<td>1000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unit B - Warehouse, Newcastle</td>
<td>Storage</td>
<td>21/11/2016</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hesketh House, Fleetwood - Pensions/Bursaries</td>
<td>Pensions / Student Bursary</td>
<td>28/09/2029</td>
<td>2500</td>
<td></td>
</tr>
<tr>
<td>MOTO</td>
<td>Citygate, Newcastle - NHS protect</td>
<td>NHS Protect</td>
<td>31/12/2019</td>
<td>350</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Skipton House</td>
<td>NHS Protect</td>
<td>31/12/2016</td>
<td>750</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Cheylemorrel</td>
<td>NHS Protect</td>
<td>18/2/2018</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dental, St Anne’s Road (Capita Office)</td>
<td>Dental</td>
<td>31/12/2017</td>
<td>100</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Mansfield</td>
<td>Supply Chain</td>
<td>01/03/2017</td>
<td>110</td>
<td></td>
</tr>
</tbody>
</table>
Annex A

1. Context

1.1 In the Budget statement (February 2015) the Chancellor announced that he would:

- Implement a new commercially-driven approach to land and property asset management across the central government estate, based on departments paying market-level rents for the freehold assets they own
- Create a new central body or bodies, which, working under a cross-government framework and direction provided by the Treasury and the Government Property Unit of the Cabinet Office, will own and manage relevant property and land assets, as well as leasehold assets where appropriate
- Implement these reforms immediately, with the model becoming operational by March 2017, subject to legislation.

1.2 The Government Property Unit (GPU) has developed the concepts of strategic asset management into a program to be fully implemented by the end of the current parliament. The GPU and departments will implement a governance structure as follow:

1.2.1 The Cabinet Office - will be sponsoring Department for the New Property Model (NPM). While part of GPU, as an Executive Agency of the Central Body reports to Minister for Cabinet Office (MCO) and Parliament via the Permanent Secretary acting as Principal Accounting Officer Department Specialised Assets.

1.2.2 The Government Property Unit - is accountable for functional leadership across all portfolios, including those outside the scope of the Central Body. For NPM assets its principal role is to set strategy and provide oversight of the Central Body.
1.2.3 **The Central Body** - implements portfolio strategies and provides services based on a “bifurcated” model. General purpose assets are directly managed by it. Specialised assets are managed by Departments with Central Body support.

1.2.4 **Departments** - are “intelligent clients” of the Central Body for General Purpose assets managed directly by it and are supported in implementing strategy for Specialised Assets by a range of advisory and delivery services.

1.2.5 **Arms Length Bodies** such as the NHSBSA fall under the “intelligent client” layer of the new property model, and are expected to work alongside host departments in meeting the demands of the implementation plan.

1.2.6 A tripartite of the DH, Cabinet Office and Treasury meet regularly outside of the programme board of the new property model. During those meeting a target transfer date into the NPM has been agreed to occur during 2019/20. Cabinet Office has stated that organisations will be no better or worse off by this policy.

1.3 **Controls Environment**

The NHSBSA’s strategy needs to be harmonised with Cabinet Office controls environment. Compliance is expected for:

- Lease renewals, sales or acquisitions on new properties is not allowed without Cabinet Office approval. Delegated limit is £100,000 ex VAT whole life cost
- All new and extended FM contracts regardless of financial commitment are not allowed without Cabinet Office approval
- When designing new office space you must consider the best practice for the use of space as outlined in PAS 3000
- The Government has set a standard for space utilisation of 8 sq. metres / FTE by March 2018
- Modernise the Government estate to support new ways of working and ensure that the service can attract world class talent
- Streamline the government estate, reducing operational costs and generating revenue through the disposal of surplus property, to save money for the taxpayer
- Create an excellent property function with the skills and capability required to deliver wide ranging reforms
- Build strong effective partnerships

2. **Due Diligence**

2.1 As an Arm Length Body there is a risk that the NHSBSA and other ALBs may be marginalised as part of the dialogue between the Cabinet Office and DH at a senior level. To mitigate the risk we have gained representation at a senior level via the NHSBSA’s Head of Property primarily to represent our interests and to ensure that the transition process is managed.

2.2 This has resulted in:

- NHSBSA representing DH at local and national meetings with GPU colleagues since 2008
- In 2013, input to the creation of the property profession under civil service functional leadership. Our contribution was to gain representation for non-civil servants and to enable all to become members of the property profession
- In 2014, delivery of a shared service cluster to the DH and its ALBs in compliance with Cabinet Office guidance

2.3 Our current involvement in implementing the new government estates strategy includes:
• Programme Board representation for the New Property Model
• Member of the task and finish group for the Departmental intelligent client function roles
• Represent DH on the sub project for warehouse, document storage and logistics
• Represent staff interests for those jobs that may transfer into the new property model
• Lead for DH in the hubs project board as it relates to the future building occupancy in the North East

3. NPM Impact Analysis

3.1 This asset management plan will cover the period from now up until 31 March 2020, the likely impact of the NPM on the NHSBSA is outlined below:

• The NHSBSA has five freehold (or long leasehold) properties which may fit into the freehold properties affected by this initiative. Should market rents be applied to these properties, it could well mean an increase in operational rent expenditure of over £3 million per annum
• The Cabinet office has stated that there will be no financially disadvantaged organisations and this will require an increase in DEL by the agreed amounts. There is no commitment beyond 2020/21, it may be likely that future bids may be part of future ESR settlements
• Many NHSBSA properties already benchmark favourably in terms of people: sq. m, this may lead to a dividend for efficiency against a penalty for inefficiency
• There needs to be consideration of current rental valuation, and any value for transfer into the centre, as well as the overall impact on NHSBSA and DH balance sheets
• Property staff are employed under NHS terms and conditions, and would be subject to TUPE or equivalent should any transfer into the Civil Service occur
• If all property, operating costs and staff were centrally managed may lead to funding reduction reduction of circa £6.3 million revenue and £4.5 million capital annually, as these costs would be met centrally
• Loss of organisational agility and having, office space imposed upon us, and sharing with others

4. NHSBSA’s Strategy

The NHS Business Services Authority provides a range of critical business support services to NHS organisations, NHS contractors, patients and the public. Our services include payments to community pharmacists and dentists for their NHS work, the administration of the NHS Pension Scheme, the management of NHS Supply Chain, as well as a range of other important services. In total we are responsible for circa £34bn of transactions and provide related information to the wider NHS.

4.1 The NHSBSA’s Strategy Goals are:

• We will collaborate to create £1 billion for patients.
• We will reduce our unit costs by 50%.
• We will always improve service and deliver great results for customers.
• We will digitise 80% of customer and supplier interactions.
• We will derive insight from data to drive change.
• We will invest time in our people, and we will recognise them for their commitment, contribution and passion.

4.2 NHSBSA’s Property Strategy

The property strategy sets out the ways in which we will improve the quality and flexibility of the current property portfolio and those elements of money and people that currently support it. The strategy will place on a roadmap
those properties and people in scope for transition into the NPM, and to extract any benefits leading into transformation.

- To maximise the occupancy of properties, thereby achieving or exceeding government space utilisation targets
- To establish a list of core properties and to rationalise where possible the number of properties held in order to minimise the cost of the overall estate
- Where properties are leased to migrate from long term leases to short term flexible leases where the benefits of such flexibility outweigh the costs
- To ensure that the cost and efficiency of the estate benchmarks favourably both within and outside the sector
- To provide a safe, comfortable and appropriate working environment for staff
- To comply with government property unit mandates
- To create and maintain a sustainable estate
- To utilise best practice procurement and delivery models, including, as appropriate, shared services
- To develop a workforce of skilled property professionals. Commencing with apprenticeships, but also including enhanced commercial skills, especially delivering under NEC 3 contracts, change management skills, project and programme management, and leadership towards succession planning

4.3 Delivering the Property Strategy

The NHSBSA approach has been to:

- Work with the Heads of Service to understand their needs and with NPM, GPU and DH to understand the strategic background, and partnering with our suppliers to deliver quality services and facilities
- Challenge Heads of Service to demonstrate their needs within their workforce plans, adopting flexible working practices and adhering to PAS3000 – smart working code of practice
- Be consistent with our standards and decision making
- Understand the impact of systems digitisation and its impact on property holdings
- Partner with those delivering ITIS to ensure that businesses can work anywhere (including hubs beyond 2020)

4.4 Arriving at the NPM

The final year of this plan will conclude in the transition of all properties and relevant staff into the NPM structure. In order to meet the due diligence requirements for the transfer of properties we will:

- Understand the impact of NPM, strategic hubs and One Public Estate on the future property occupation of the Authority
- Review property requirements with Heads of Service to determine the most appropriate delivery model for their future operation (home working, hours of operation etc.)
- Create a risk based investment plan for all properties
- Reduce backlog maintenance where appropriate
- Compile an up to date Terrier of property interests for handover to the NPM (including dilapidations, repairs budget etc.)
- Work with finance to understand the impact of the NPM on NHSBSA budgets and finance systems
- For in-scope offices that an FM service, is maintained, along with any staff resources to ensure continuity of operation following transition
- That all properties remain compliant for health, safety and legislative purposes
5. **Service Delivery Streams**

The strategy consists of 4 facets:

5.1 **Strategic Asset Management** – Asset management is a key part of the business planning process, and at a strategic level uses our business needs, to ensure that we have the right property, at the right time, in the right place. In terms of value for money this also means working to the optimum. We should not use valuable real estate inappropriately. For instance office space costing £400 per sq. m. should not be used for storage or other low cost activity, which could be cheaper elsewhere.

The NHSBSA has adopted three models of occupations

- Owner Occupier
- Landlord and Tenant
- Memorandum of Terms of Occupation (MOTO)

5.2 **Facilities Management (FM)**

A new facilities management contract will be phased in starting at Fleetwood starting July 2016, and the remainder of the estate in April 2017. FM contract awards are mandated to use the Crown Commercial Services (CCS) framework, and have been awarded for a term of 3 years + one + one (5 year maximum). The NPM currently expects those offices that transfer into the company will retain responsibility for FM.

5.3 **People and capability**

Leading into transition the type of portfolio being transferred will determine the people and their capabilities required to be retained in house, made redundant or TUPE transferred into the NPM.

5.4 **Compliance**

We will ensure properties and facilities are compliant with relevant legislation. Legislative compliance throughout the estate is managed through a rigorous and accountable approach to carrying out the necessary inspection and through the management of risk. There are a wide range of on-going servicing and inspection requirements for plant and safety equipment within properties. This includes lifts, asbestos, boilers and air conditioning equipment.

5.5 **Key Performance indicators**

5.5.1 **Property Asset Management** is currently measured against key performance indicators as mandated by the GPU. The final year of submission will be 2019/2020. The latest benchmarking data available is 2014/15. In all bar one indicators we perform better than both the DH and DH and its ALBs. As we are using more twilight shifts, homeworking and sharing workstations the workstation per FTE is expected to improve.

<table>
<thead>
<tr>
<th>Table 1: Property KPSs 2014/15</th>
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<tbody>
<tr>
<td>DH Cluster</td>
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<tr>
<td>Total Property Cost per Sq m</td>
</tr>
<tr>
<td>Workstations per FTE</td>
</tr>
</tbody>
</table>

5.5.2 **FM performance indicators** – will be measured using the indicators as determined by CCS within the FM framework.
6. Progress 2011-2016

6.1 The NHSBSA has delivered all aspects of its previous property strategy in support of DH and government strategic directions as follows:

- Reduced the NHSBSA and DH property holdings from twenty three properties to twelve properties, and civil estate space by over 19,000 sq. m.
- Acquired freehold space at Stella House, from BIS thereby perpetuating freehold office space on the central civil estate
- Disposed of surplus, functionally obsolete freehold office space for £2.3 million
- Where the case to remain could not be made, delivered exchequer benefit by occupying surplus leasehold space in offices core to the civil estate (Cheylsemore House, Skipton House, Coal Authority and Citygate
- Supported the government free school initiative with the disposal of freehold premises in Eastbourne to the Education Funding Agency and capital receipt of £1.5 Million
- Rationalised properties to achieve occupancy in some offices exceeding 1 person : 8 sq. m, and overall occupancy of 1 person : 9 sq.m
- Conformed with Cabinet Office and DH procurement models for specialist assistance; FM procurement and the use of DH P21+ procurement framework
- Return of leasehold premises to the private sector, achieving savings in excess of £3 million per annum
- Commenced the strategic service integration with IT infrastructure, through cloud computing; Wireless networking; cloud telephony services provided by Capita; and IP based Video Conferencing

6.2 Growth and Commercial activities

Whilst the NHSBSA’s overall strategy is clear and areas for growth/retraction are known in outline, at this stage it is not possible to quantify space requirements at a granular level of detail. The broad picture is as follows:

- Impact of Pensions re-let – Increased in space required due to insourcing (Ample scope at Fleetwood).
- Impact of Bursary changes (free up space at Fleetwood)
- Impact of Supply Chain TOM – could increase headcount by 150-250. (Mansfield is full, so alternative space/property would be required).
- Impact of electronic prescribing and point of dispensing checks – EPS will reduce space required as headcount falls. Eligibility Checking Service (ECS) will utilise freed-up space in short term, but if point of dispensary checks delivered then ECS would cease (need to monitor requirements and look at flexible space options plus homeworking).
- Impact of end of Capita contract – Likely in-sourcing of elements of Capita contract (utilising space at Stella House, Bridge House and Fleetwood
- Impact of end of DCSS contract and re-let – likely in-sourcing of DCSS and DECs staff from Capita (currently renting part of Capita building in Eastbourne – look to relocate to public sector property hub on South Coast)

6.3 Impact of Government Property Strategy

The NPM model and hubs strategy will result in the ceding of control over property finances and some decisions to the central body. As other strands are implemented, One Public Estate and Hubs program these will transfer into the central model. As part of the program board and task and finish groups the impact on us will be managed under:

6.3.1 Financial – Impact of implementation on the balance sheet of freehold transfers; impact on DEL and the on-going availability
of capital and revenue funding as it relates to in scope property; NPM charging for freeholds; occupation penalty or dividend and the scope of asset transfers

6.3.2 Property – Impact leading up to transition into the NPM regarding dilapidations and any accounting practices; backlog maintenance and condition surveys

6.3.3 Staff – A discovery process is underway to determine the Human Resources impact in terms of people transfer; scope of tasks for TUPE transfer into new model and property profession

6.3.4 Operational delivery – Business delivery will still be required and any future operating model will need to consider operating hours; enforced sharing; catchment for workforce; Hub location (city centre or out of town)

7. Feedback from Heads of Service

Each Heads of Service view was sought to determine their estate needs for property in business as usual and what their growth aspirations were.

7.1 NHS Protect - a general desire to downsize in each location, but not necessarily office closure. All NHS Protect property is under MOTO from other government departments. There is an opportunity to reduce London based staff as there is capacity in the regional offices.

7.2 Supply Chain Management - Mansfield is now at peak occupancy. Should further growth be planned as the future operating model becomes clearer this cannot be fulfilled from Mansfield. There are government hubs being established in the Midlands if this is to be the location then the hubs program will need to understand the demand to ensure they can be supplied. Other models based on sharing with business partners will also be considered.

7.3 Services running out of Eastbourne – The accommodation licence will expire in December 2017 when the DCSS contract ends. DECS activity will be absorbed into the Contact Centre in Newcastle estimated at about 20 seats. The BSA has no security of tenure at Eastbourne, and would require Cabinet Office approval to take space. The services including Analytics occupies in the region of 40 desks, which includes contractor loss staff. The local view was that post Capita there would be a requirement for extra desks. There was no commitment to consider locations other than the South Coast. Previous conversations regarding analytics staff was that Eastbourne was proving difficult to recruit into and that an alternative location would be considered.

7.4 Prescription Processing

The service did not anticipate headcount reductions that would enable the closure of any sites. The view was that any impact of digitisation would be back filled with other activities e.g. Scanning, giving a neutral impact from head count changes.

7.4.1 Prescriptions

Wakefield process in the region of 26% of the overall national workload, and requires a dedicated, well trained, specialist work force to process at the accuracy and volume expected. The Wakefield centre processes over 10 million prescription items per month.

Middlebrook process 42% of the workload (around 18m forms) with 372 WTE. Middlebrook also carry out the documents scanning for Student Services.
7.4.2 Guaranteed Minimum Pension – For Prescription Services in 2016-17 this means allocating 50 wte to the task starting May 2016 rising to up to 100 WTE from December 2016. The work will last until March 2019 and although this is still a business case we are 99% certain that it will happen and are therefore progressing at risk. This is expected to absorb the manpower impact of increased electronic prescriptions.

7.4.3 6 Month Storage/ Scanning Tokens – We are in the final stages of our negotiations with PSNC and the Department (MPI) to enable a reduction to 6 month storage. The final decision on this will rest with MPI. The scanning of tokens has been taken forward as part of the PECs business case which is going to NHS England for approval. The recommendation in this business case is that we should start scanning tokens with immediate effect (we are asking NHSE to fund this).

7.4.4 Homeworking - Given the go ahead to send 30 staff from Bridge House to work from home for an extended pilot. By 1 June 2016, we should have some full time homeworkers in Newcastle. Currently there are no plans to extend homeworking to Middlebrook or Wakefield.

7.4.5 New Scanning Options – There are no immediate plans to increase this any further but much will depend on our success and how ambitious we want to be. We plan to spend the next 8-10 months working on ad hoc scanning jobs putting us in a favourable position to be able to offer a range of scanning solutions across the wider NHS going forward.

7.5 Contact Centre

Contact Centre is the area of greatest growth with capacity required for additional dental and prescription exemption checking. In May 2016 twilight shifts are also being introduced.

8. Growth

The Board in April 2016, received details of the areas of Growth potential following a review by PWC. The key areas were:

1) Expansion of eligibility checking service  
2) Scanning  
3) Data analytics  
4) Payments processing  
5) HR-L&D Service  
6) Pensions

At this stage only the Eligibility Checking Services elements plan supported by a business case agreed with NHS England. The Property strategy reflects the expansion planned for 2016/17 utilising space in Newcastle.

The Property Strategy needs to be flexible to facilitate other areas of growth.

9. Concluding Principles

9.1 Strategic Partnering

The contracts for FM and P21+ uses a collaborative management approach that encourages openness and trust between parties to a contract. The parties become dependent on one another for success and this requires a change in culture, attitude and procedures throughout the supply chain. It is most commonly used on large, long-term or high-risk contracts.

We will adopt the principles of strategic partnering.
9.2 Managed Strategically

- Property will be managed centrally to ensure consistency of approach and standards, to monitor use and performance and to allow the strategic deployment of assets to support corporate and service objectives.
- Property reviews will ensure that the portfolio is being utilised efficiently, meets the needs of services and is aligned to the future needs of the council.
- Property Systems will record the most up to date information to enable informed decision making.
- We will engage with Heads of Service through the business planning process to align Service, Financial and the Asset Management Framework.
- We will work with occupiers to agree service asset management plans.

9.2 Support Service Delivery

- We will engage with service heads to ensure that their requirements are identified, supported by a business plan and delivered efficiently and economically.
- This process will challenge service heads and partners to consider the direction, location and shape of services and to plan for future needs.

9.3 Provide Value for Money and Long Term Efficiencies

- Through continuous review and by aligning property strategy with service planning we will identify and plan our portfolio needs to ensure optimum utilisation and cost efficiency.
- We will maximise the full potential of our portfolio by managing commercially.
- We will use up-to-date property information and benchmarking to inform decision making and will invest in or dispose of assets to meet future needs.

9.4 Agile, Flexible and Adaptable

- Property utilisation will be informed by the PAS 3000 which covers Modern and Flexible Working Policy and Office Accommodation Standards. There will be a presumption of standardisation but with the flexibility to respond to the specific needs of a diverse range of users and customers.
- We will learn from local and national benchmarking and adopt best practice in relation to our policies, standards and management. Where supported by a sound financial and service case, we will transform our portfolio to enable it to be fully optimised.
- We will utilise PAS3000 and other techniques to improve our delivery of projects.

9.5 Environmental Impacts

- We have continued to set and monitor corporate targets linked to our material risks, opportunities and the requirements set out in central government’s Greening Government Commitments. We have also maintained our governance arrangements via our external ISO 14001 and Carbon Trust Standard accreditations.
- Key information on environmental performance will help inform the review of assets, the creation of policies and the embedding of best practice.
- The effects of policy, location, use, travel, waste, hours of use and occupancy rates will be reviewed to seek continuous improvement in property performance and to contribute to corporate and national targets.
- Rationalisation of assets, the introduction of new ways of working and the rapid change in digital technologies will present both challenges and opportunities. Data collection and benchmarking will allow us to be well placed to take advantage of the opportunities and to anticipate and overcome the challenges.
Our design and accommodation standards will seek to reduce the environmental impact of our portfolio.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Property</th>
<th>Purpose</th>
<th>Key dates</th>
<th>Annual cost 000's</th>
<th>s</th>
<th>m</th>
<th>I</th>
<th>Strategic view</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Freehold</strong></td>
<td>Stella House, Newcastle - various HQ</td>
<td>Head Office</td>
<td>Purchased 2012</td>
<td>1500</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold – freehold will transfer into Cabinet Office New Property Model (2019).</td>
</tr>
<tr>
<td><strong>Ground Lease only</strong></td>
<td>Bridge House, Newcastle - Operational Services</td>
<td>Back office - Prescription / Contact Centre / Scanning</td>
<td>25/06/2066</td>
<td>1500</td>
<td>✓</td>
<td></td>
<td></td>
<td>Relocate and dispose - Previous LT strategy was to hold for up to 5 years (period ends 2017). New survey to determine investment required to maintain safe environment. Could be an early adopter in the Government hubs program, which would enable disposal. Currently supports 750 staff working 6 -10 and at weekends.</td>
</tr>
<tr>
<td><strong>Leasehold</strong></td>
<td>St Helens - NHS Protect</td>
<td>NHS Protect</td>
<td>31/3/2016</td>
<td>30</td>
<td>✓</td>
<td></td>
<td></td>
<td>Disposed 1 April 2016.</td>
</tr>
<tr>
<td></td>
<td>Wakefield - Prescription Services</td>
<td>Back Office - Prescriptions</td>
<td>Expires 29/11/2015 - Holding Over</td>
<td>500</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold - Renew for five years - Property held on two leases, renew and hold until end of lease in 2020.</td>
</tr>
<tr>
<td></td>
<td>Bolton warehouse - Prescription Services</td>
<td>Storage</td>
<td>Expires - 31/10/2015 - Holding over</td>
<td>50</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold - Renew for 5 years - renew and hold until end of lease in 2020.</td>
</tr>
<tr>
<td></td>
<td>Middlebrook, Bolton - Prescription Services</td>
<td>Back Office - Prescriptions</td>
<td>Expires 31/10/2015 - Holding over</td>
<td>1000</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold - Renew for 5 years - renew and hold until end of lease in 2020.</td>
</tr>
<tr>
<td></td>
<td>Unit B - Warehouse, Newcastle</td>
<td>Storage</td>
<td>21/11/2016</td>
<td>100</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold - Renew for 5 years - renew and hold until end of lease in 2020.</td>
</tr>
<tr>
<td></td>
<td>Hesketh House, Fleetwood - Pensions/Bursaries</td>
<td>Pensions / Student Bursary</td>
<td>28/09/2029</td>
<td>2500</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold – Rationalise into main building and close room 90.</td>
</tr>
<tr>
<td><strong>MOTO</strong></td>
<td>Citygate, Newcastle - NHS protect</td>
<td>NHS Protect</td>
<td>31/12/2019</td>
<td>350</td>
<td>✓</td>
<td></td>
<td></td>
<td>Relocate and dispose on expiry – possibly part of Newcastle hub.</td>
</tr>
<tr>
<td></td>
<td>Skipton House</td>
<td>NHS Protect</td>
<td>31/12/2016</td>
<td>750</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold – until more known on Skipton House future, then move into London hub (2019).</td>
</tr>
<tr>
<td></td>
<td>Chylesemore</td>
<td>NHS Protect</td>
<td>18/2/2018</td>
<td>300</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold and downsize.</td>
</tr>
<tr>
<td></td>
<td>Dental, St Anne's Road (Capita Office)</td>
<td>Dental</td>
<td>31/12/2017</td>
<td>100</td>
<td>✓</td>
<td></td>
<td></td>
<td>Relocate and dispose, acquire alternative.</td>
</tr>
<tr>
<td></td>
<td>Mansfield</td>
<td>Supply Chain</td>
<td>01/03/2017</td>
<td>110</td>
<td>✓</td>
<td></td>
<td></td>
<td>Hold - New lease expires 2022.</td>
</tr>
</tbody>
</table>
# Appendix 2 – GPU / NHSBSA Strategic Asset Plan

## 1.1 PROGRESS 2010 - 2016 STRATEGIC ASSET MANAGEMENT 2016 -2020

### Governance

#### 1.1.1 NHSBSA - role
The NHS Business Services Authority provides a range of critical business support services to NHS organisations, NHS contractors, patients and the public. Our services include payments to community pharmacists and dentists for their NHS work, the administration of the NHS pension scheme, the management of NHS Supply Chain, as well as a range of other important services. In total we are responsible for circa £30bn of transactions and provide related information to the wider NHS.

#### 1.1.1 Property and facilities
Each organisation should have a Strategic Asset Management Plan (SAMP)

### NHSBSA Strategy
- We will collaborate to create £1 billion for patients
- We will reduce our unit costs by 50%
- We will always improve service and deliver great results for customers
- We will digitise 80% of customer and supplier interactions
- We will derive insight from data to drive change
- We will invest time in our people, and we will recognise them for their commitment, contribution and passion

### Property strategy
- To maximise the occupancy of properties, thereby achieving or exceeding government space utilisation targets.
- To rationalise where possible the number of properties held in order to minimise the cost of the overall estate.
- Where properties are leased to migrate from long term leases to short term flexible leases where the benefits of such flexibility outweigh the costs.
- To ensure that the cost and efficiency of the estate benchmarks favourably both within and outside the sector.
- To provide a safe, comfortable and appropriate working environment for staff.
- To comply with government property unit mandates.
- To create and maintain a sustainable estate.
- To utilise best practice procurement and delivery models, including, as appropriate, shared services.
- To utilise best practice procurement and delivery models, including, as appropriate, shared services.

#### 1.1.1 GPU / DH /ALB ROLE
Working in Partnership with Cabinet Office and DH. Augmenting DH / ALB resources for all aspects of property asset management

- Formalise arrangements for collaborative working with DH
- Provide support to the DH Shared Service cluster and FM delivery
- Implement new property model (NPM)
  - Represent DH on NPM program board
  - Part of task and finish team for intelligent client
  - Represent DH on NE regional strategy project
  - Part of GPU warehousing development team
  - TUPE implications

#### 1.1.2 Property Leadership under NPM
The Cabinet Office is the sponsoring Department for the NPM. While part of GPU and as an Executive Agency the Central Body reports to MCO and parliament via the Permanent Secretary acting as Principal Accounting Officer Departments Specialised Assets

- Chief Executive and Accounting Officer - Director of Finance - SRO
- Head of Property – Property champion
The Government Property Unit is accountable for functional leadership across all portfolios, including those outside the scope of the Central Body. For NPM assets its principal role is to set strategy and provide oversight of the Central Body. The Central Body implements portfolio strategies and provides services based on a "bifurcated" model. General purpose assets are directly managed by it. Specialised assets are managed by Departments with Central Body support. Departments are "intelligent clients" of the Central Body for General Purpose assets managed directly by it and are supported in implementing strategy for Specialised Assets by a range of advisory and delivery services.

### 1.2 Strategic Asset Management Plans

#### 1.2.1 Delivery of the strategic asset management plan

The NHSBSA has delivered all aspects of its previous property strategy in support of DH and government strategic directions as follows:

- Assisted the DH in delivering operational efficiency by providing staff resources to create a pan DH strategic asset management plan, launch of the property profession agreement on a DH shared service cluster, and managing DH interests at GPU level in the North East and Yorkshire;
- Reduced the NHSBSA and DH property holdings from twenty-three properties to twelve properties, and civil estate space by over 19,000 sq. m.;
- Acquired freehold space at Stella House, from BIS thereby perpetuating freehold office space on the central civil estate;
- Disposed of surplus, functionally obsolete freehold office space for £2.3 million;
- Where the case to remain could not be made, delivered exchequer benefit by occupying surplus leasehold space in offices core to the civil estate (Cheylsemore House, Skipton House, Coal Authority and Citygate);
- Delivered business continuity in many locations by making the case to GPU and DH, to remain in current premises;
- Supported the government free school initiative with the disposal of freehold premises in Eastbourne to the Education Funding Agency and capital receipt of £1.5 Million;
- Rationalised properties to achieve occupancy in some offices exceeding 1 person : 8 sq. m, and overall occupancy of 1 person : 9 sq.
- Conformed with Cabinet Office and DH procurement models for specialist assistance; FM procurement and the use of DH P21+ procurement framework;
- Improved property condition in many locations;
- Return of leasehold premises to the private sector;

Manage property events etc.

**2016/17**

- Authorisation to renew leases delegated to Director of Finance and Corporate Services
- Lease renewal at Wakefield and warehouse licence for five years ending 30 Nov 2016
- Lease renewal at Bolton warehouse and office space for a further five years ending 3 November 2016
- Lease at Benton warehouse to be renewed for further five years from 30 November 2016
- Licence for additional space at Eastbourne with Capita extended to terminate with the contract on 31 December 2017
- NHS Protect MOTO at Skipton House expires on 31 December 2016
- Lease for Coal Authority space expires on 31 January 2017 – Business Decision required for renewal subject to Cabinet Office approvals

**2017/18**

- Determine future need for Eastbourne property beyond the Capita contract expiry on 31 December 2016
- Work with IT IS to ensure that property and IT strategies are sympathetic towards delivering work anywhere strategies.
- Reassess future maintenance requirements at Bridge House to create future business case (In 2012 the LT agreed that BH should be refurbished to achieve a 5 year operational life, prior to reassessment.
- Potential for Bridge House relocation to be early adopter in Newcastle based hub.
- Ensure that the Fleetwood site meets the future operational needs for the Pensions and Bursary occupiers

**2018 onward**

- Manage NHS Protect lease break events in Newcastle (2019) and Coventry (2018) and London (depending on the length of the lease negotiated by the DH. Eventually Skipton House will close and occupations transferred into one of the London government hubs
- Complete due diligence surrounding the move of NHSBSA assets into the Cabinet Office property company with DH assets
- achieving savings in excess of £3 million per annum.
- Improved staff working conditions
- Commenced the strategic service integration with IT infrastructure, through cloud computing; Wireless networking; cloud telephony services provided by Capita; and IP based Video Conferencing;
- Continue to deliver to achieve government targets on sustainable and environmental development.
- Develop the role of the Local Security Management Specialist (LSMS), throughout the Authority.

<table>
<thead>
<tr>
<th>GOVERNMENT ESTATES STRATEGY STRAND</th>
<th>IMPLICATIONS ON NHSBSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3 One Public estate, efficiency and control / Property project. Modernise the Government estate to support new ways of working and ensure that the service can attract world class talent. Streamline the government estate, reducing operational costs and generating revenue through the disposal of surplus property, to save money for the taxpayer</td>
<td>This is a summary of the overall NHS Business Services Authority strategic asset management plan, which is harmonized with our annual business plan and five year strategy up to March 2020. Our activities surrounding implementation of the Government Estates Strategy 2014 are summarized at each point.</td>
</tr>
<tr>
<td>1.3.2 New Property model</td>
<td>The warehouse and office portfolios of DH and its ALBS are planned to migrate into the new property model during 2019/2020. From that date only the central body will hold property leases. The central body will be accountable to the Cabinet Office, and DH / ALBS will be represented through a departmental intelligent client function. As other strands are implemented (One Public Estate, and Hubs program will transfer into the central model. Cross departmental task and finish groups have been set up to cover</td>
</tr>
</tbody>
</table>
| **Central Ownership & Cross Government Portfolio Management:** | - Financial impact  
  - Balance sheet impact of freehold sales  
  - Capital and Revenue related to property  
  - Charging for freeholds  
  - Occupation penalty or dividend  
  - Impact on DEL  
- Asset transfer  
  - Asset transfer (what are the constraints)  
  - Dilapidations considerations  
  - Life cycle costs  
- People transfer  
  - Scope of tasks for TUPE transfer into new model  
- Operational delivery  
  - Operating Hours  
  - Enforced sharing  
  - Catchment for workforce |
| - Central ownership gives Government the leverage to maximize asset utilisation  
- A central body enables a consistent approach to the commercial valuation of assets and the charging of departments - and  
- Land and property portfolios to be managed strategically, across Government, driving sharing of facilities and maximizing asset utilisation  
An implementation program board is considering |
| - Charging and finance  
  - Charging model  
- Asset Lease and licences  
  - Asset Transfer  
  - Leasing Arrangements  
  - Charging principles  
- Intelligent client function  
  - Departments as intelligent customers  
  - Partnership agreement  
- Human Resources  
  - TUPE  
- Strategic Land and Property Review (SLPR) | Any disposals of assets under SLPR. (When and anticipated land receipts)  
No land disposals are planned before March 2020 – No impact on BSA |
| 1.3.3 National property controls | Any plans to dispose / renew / collocate / acquire (when, impact etc)  
- Lease renewal at Wakefield and warehouse licence for five years ending 30 Nov 2021  
- Lease renewal at Bolton warehouse and office space for a further five years ending 3 November 2021  
- Lease at Benton warehouse to be renewed for further five years from 30 November 2021 |
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3.4 One Public Estates</td>
<td>Any plans or opportunities to share space within the cluster, other government departments, and wider public sector (NHS, Universities, Local Authority)</td>
<td>Not expected to impact on the NHSBSA</td>
</tr>
<tr>
<td>1.3.5 Hubs strategy</td>
<td>Government hubs will reduce the government office estate from almost 800 office to around 200 offices by 2019/2020</td>
<td>The North East has been highlighted by the DH in its SAMP as a regional cluster of ALBs, and other NHS interests. Expiry dates for NHS occupations covering many NHS bodies, and over 2000 public servants converge in 2019. We will work with GPU, DH and the Local Authority to ensure the optimum estate for the DH / NHS administrative occupations from 2009. NHSBSA occupations in Newcastle (Stella House, Bridge House and Citygate) totals over 1200 staff (based on 1:8 occupation) this would require a minimum space requirement of 105,000 sq ft.</td>
</tr>
<tr>
<td>1.4 Transformation</td>
<td>Initiative to reduce current space (achieve occupation standard of 1:8sqm) and to avoid future property growth include</td>
<td>Initiative to reduce current space (achieve occupation standard of 1:8sqm) and to avoid future property growth include</td>
</tr>
<tr>
<td>1.4.1 Workplace transformation (The Way we Work)</td>
<td>Initiative to reduce current space (achieve occupation standard of 1:8sqm) and to avoid future property growth include</td>
<td>Initiative to reduce current space (achieve occupation standard of 1:8sqm) and to avoid future property growth include</td>
</tr>
</tbody>
</table>
| 1.4.2 UKs digital strategy | Any digital innovation | A digital delivery model
Self Service ➔ IT Rules Engine ➔ Electronic product / payment process.
Initiatives adopted or being considered include:
• NHS Pensions self service
• Intelligent Character Recognition and document scanning
• Electronic transfer of prescriptions
• Help with Health costs self service
Planned activity includes:
• Digitisation – maternity exemption certificates (Matex) Nov 2016
• Digitisation – Low Income Scheme (LIS) Nov 2016
• Digitisation – NHS Dental Services Dec 2016
• Digitisation – prescription digital submissions Dec 2016
• Digitisation – electronic receipt of payments Jan 2017
• Digitisation – complementary Intelligent Character Recognition (ICR) for prescription processing Mar 2017.
• Digitisation – Electronic Prescription Service (EPS) Mar 2017
• Digitisation - prescription prepayment certificates (PPC) Mar 2017 |
<p>| 1.4.3 Govt Space for Growth | Plans to make space and facilities available to others | No opportunities to extend government space for growth |</p>
<table>
<thead>
<tr>
<th>1.4.4</th>
<th>Solar and telecom masts</th>
<th>Opportunities to adopt sustainable energy initiatives</th>
<th>No opportunities to extend solar power usage or install telecom masts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td><strong>Functional Leadership</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5.1</td>
<td>Property shared services – DH Cluster implementation</td>
<td>A coordinated approach to the reform agenda including estates rationalisation, High Performing Property and sustainable development benchmarking</td>
<td>Superseded as part of the NPM works</td>
</tr>
<tr>
<td>1.5.2</td>
<td>Property Profession</td>
<td>Using PAMCAM to ensure a high level of capability for all property professionals throughout their career within central government through learning and development opportunities</td>
<td>Superseded as part of the NPM works</td>
</tr>
<tr>
<td>1.6</td>
<td><strong>Management Information and benchmarking</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.6.1</td>
<td>EPIMS</td>
<td>A coordinated approach to supplier management including the benchmarking of suppliers, MI and performance. ALBs to be challenged on their property performance Sustainable development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>All   dh  BSA  Difference ALL - BSA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Utilisation (people : sq m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Property Cost per FTE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Workstation Utilisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Property Cost per Sq m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Workstations per FTE</td>
</tr>
<tr>
<td>1.6.2</td>
<td>Management information</td>
<td>The FM framework has standard key performance indicators that all supplies performance are measured upon</td>
<td>FM implementation as follows</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Fleetwood – Hard and Soft FM contracts to start 23 July 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Rest of the Estate - Hard and Soft FM contracts to start 1 April 2017</td>
</tr>
<tr>
<td>1.6.3</td>
<td>Sustainability, environment and wellbeing</td>
<td>Our approach to environment and resource efficiency is managed and coordinated by our central Safety, Health and Environment (SHE) Team. The team is made up of qualified and experience sustainability professionals. The development and delivery of our objectives is government by our Community, Environment and Wellbeing (CEW) Committee chaired by our Corporate Secretary, and made up of senior staff from across the business. The agenda is owned and driven forward locally by members of our CEW Staff Network. We have continued to set and monitor corporate targets linked to our material risks, opportunities and the requirements set out in central government's Greening Government Commitments. We have also maintained our governance arrangements via our external ISO 14001 and Carbon Trust Standard accreditations.</td>
<td></td>
</tr>
<tr>
<td>1.7</td>
<td><strong>Commercial Activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.7.1</td>
<td>FM contract</td>
<td>To provide assurance that governance and controls process are followed in all property and facilities activities.</td>
<td>FM implementation as follows</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Fleetwood – Hard and Soft FM contracts to start 23 July 2016</td>
</tr>
<tr>
<td>1.7.2 Estates management framework (agency)</td>
<td>To represent the DH on the FM category board, and manage the relationship with ALBs using the FM contract</td>
<td>• Rest of the Estate - Hard and Soft FM contracts to start 1 April 2017</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>1.7.3 Property Legal Services</td>
<td>Value for Money and Business case submissions</td>
<td>A new legal services contract was signed in April 2015.</td>
<td></td>
</tr>
</tbody>
</table>
| 1.7.4 Controls process | Agree to follow Cabinet office and DH controls | Controls process to be followed for:  
• Lease Moratorium Exception Review (LMER), for lease breaks and expiries.  
• FM procurement using the CCS framework  
• Energy buying via CCS |
| 1.7.5 McKinsey | In 2015 the DH and Crown Commercial Services agreed to identify any indirect procurement initiatives that will achieve the Financial year 2019/2020 spending review target | DH requested that we represent them for facilities spend review and other initiatives |
Appendix 4 - Schemes 2016

Stella House – Smarter Ways of Working 2016

Entrance to Digital Hub from reception

Informal Meeting, Collaborative & Show case high Bench

Collaborative & Show Case Area 2

Collaborative, informal meeting, showcase & touchdown table 2

Hot Desk and collaborative working banks

Informal meeting & Collaborative Pod 1
NHSBSA - Fleetwood – Digital HUB 2016

NHSBSA – Benton Warehouse Roof Replacement 2015-16

NHS HTA & NHS LA- London 2016

Office refurbishments for other ALBs - 2016

NHS HRA – Bristol
NHS HRA – Jarrow
NHS HRA - Nottingham
Appendix 5

Future Schemes 2016-2017

- Implement Smarter Ways of Working into Technology Solutions
- Implement Smarter Ways of Working into Organisational Development
- Implement New Provider Management Service into the building
- Backlog Maintenance and Building Compliance Schemes
- Energy Management Schemes for Carbon Reduction
- Implement New Crown Commercial services Contract for FM services
- Remove Asbestos AIB from Warehouse B and light refurbishment
- Energy Management Schemes for Carbon Reduction
- Implement New Crown Commercial services Contract for FM services
- Work to expand PECS service
- Backlog Maintenance and Building Compliance Schemes
- Complete Data Centre Migration from Basement to Mezzanine
- Refurbish Basement data centre to create a new scanning environment
- Relocate Student service from Room 90 to 2nd floor North Wing
- Refurbish 2nd Floor North Wing
- Implement New Crown Commercial services Contract for FM services
- Refurbish 4th Floor
- Implement New Crown Commercial services Contract for FM services
- Energy Management Schemes for Carbon Reduction
- Implement New Crown Commercial services Contract for FM services
- Newcastle Stella House
- Newcastle Benton Warehouse
- Fleetwood Hesketh House
- Newcastle Bridge House
- Newcastle Benton Warehouse