

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2767

Title: London Estates Delivery Unit grant agreements to devolution partners

Executive Summary:

The London Estates Delivery Unit (LEDU) is hosted by the GLA on behalf of the London health and care devolution partners (Clinical Commissioning Groups, Integrated Care Systems, London Councils, the City of London, the Mayor of London, NHS England & Improvement and Public Health England) as set out in the London health and care devolution Memorandum of Understanding (MOU) signed in November 2017.

The LEDU seeks approval to establish grant agreements with a number of devolution partners to deliver sector-wide, estates related projects which will benefit the London system as a whole. The projects identified will support use of a single programme management system for all NHS capital expenditure across the region, the creation of a digital asset database for the NHS and primary care estate in London and the strengthening in quality of capital investment business cases.

The LEDU has identified three workstreams, to be funded from the LEDU partnership budget this financial year, but to be led by separate NHS partners on behalf of the wider health and care system.

In addition, the LEDU would like to request delegated authority to grant, via grant agreements to NHS partner organisations, an additional amount of its budget on completing a primary care strategic planning tool and other priority workstreams.

Decision:

The Mayor:

1. Approves expenditure from the LEDU non-pay budget 20/21 for the following:
 - a) £100,000 for the provision of licences for the extended roll out of the Bubble Project Portfolio Management (PPM) tool to all London Integrated Care Systems;
 - b) £70,000 for the procurement of project management support to the implementation of a London-wide asset database;
 - c) £50,000 for professional consultancy support for the development of best practice business case guidance; and
2. Delegates authority to the LEDU Programme Director to grant, via grant agreement to NHS partner organisations, up to a total of £50,000 for the completion of a primary care strategic planning tool and other priority workstreams.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

17/5/21

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The London Estates Delivery Unit (LEDU) is hosted by the GLA on behalf of the London partners committed to health and care devolution in London, as set out in the Memorandum of Understanding (MOU) signed in November 2017.
- 1.2. The LEDU was formed to implement the work of the London Estates Board (LEB). The LEB provides a single forum for estate discussions in London and ensures early involvement of London government partners. As it matures, the LEB will also provide a forum within which NHS capital investment decision-making, including delegated business case approvals and capital allocation considerations, could be exercised, so far as statutory powers permit this and within national approval thresholds.
- 1.3. The LEDU is match funded by the GLA (Land Fund) and NHS partners. This partnership budget is held by the GLA in line with the hosting arrangement set out in the LEB Operating Framework 2017 and as agreed by NHS and GLA partners. The London Health & Care Estates Strategy published in July 2019 sets out the ambition of the LEB and LEDU in supporting London partners and their collective ambition to deliver key outcomes for Londoners. Alongside the estate strategy, a phased, prioritised capital investment pipeline for London has been developed. The pipeline contains circa 500 projects to be delivered over the next ten years requiring £8 billion investment alongside a £2 billion disposal opportunity releasing land for 12,500 new homes. The combined data on these projects had been captured and managed by the LEDU. In line with the devolution MOU and Estates Operating Framework, the LEDU budget is funded from contributions from both the GLA and NHS partners. The total annual budget equates to £800,000 funded on a 50/50 basis. Approximately one third of this budget is allocated towards funding operating costs and priority workstreams that form part of the LEDU workplan. The balance of the budget funds established posts.
- 1.4. The LEDU has identified three workstreams, to be funded from the LEDU partnership budget this financial year, but to be led by separate NHS partners on behalf of the wider health and care system. In addition, the LEDU would like to request delegated authority to grant, via grant agreement to NHS partner organisations, an additional amount of its budget on completing a primary care strategic planning tool and other priority workstreams.

2. Objectives and expected outcomes

Bubble Programme Management System

- 2.1. The Bubble portal is a strategic planning tool for the LEB, LEDU, London sub-regions and wider devolution partners. At an operational level it provides a robust centrally managed system to inform decision making about investment, matching investment to organisational and clinical objectives, tracking delivery and managing risk against performance.
- 2.2. The contract with Bubble PPM Ltd was initially procured through a competitive process led by NHS Lambeth Clinical Commissioning Group in August 2019. The value of the contract to design, build and support training on the portal was £36,000 and included a small number of licences for the portal's use. Based on how successful the roll out of the system may be, the LEDU Programme Director agreed with system partners that if further licences were required the cost would be incurred in 2020/21. The success of the implementation and mobilisation of the system has far exceeded expectations, with interest being shown in the Bubble system across the country and by the Department of Health and Social Care. The system is centrally managed by the LEDU with licences issued to the 5 Integrated Care Systems (ICS's), Clinical Commissioning Groups (CCG's) and NHS Trusts to enable system wide 'ownership' and use of the data for strategic planning purposes.

- 2.3. The project is now mobilising across London and further licences are required to ensure all organisations in the partnership have the appropriate access. An additional 100 24-month licences are required to enable the further roll out and support needed for the system for the duration of the current LEDU funding period (March 2022). The GLA will provide grant funding to the relevant bodies to purchase these licences for their own use.
- 2.4. The portal has the functionality to:
- provide a finance and budget tracking system which reflects the actual and estimated expenditure on each project as well as the sources of funding;
 - track milestones on each project as well as to create dependencies between milestone and between projects;
 - generate high level and detailed reports;
 - provide a customisable dashboard to give an overview of projects, programmes and portfolios; and
 - capture and track risks at a project, programme and portfolio level.
- 2.5. As the original procuring body, NHS Lambeth CCG will purchase the additional licences and support required on behalf of London partners. Future provision of licences will be reviewed as part of the remit of the LEDU on an annual basis.

PMO support to London-wide asset database

- 2.6. The NHS London Healthy Urban Development Unit (HUDU) currently holds NHS estates data for the whole of London in the form of an Excel spreadsheet. This was first created in 2015 by NHS England and the spreadsheet includes details of the entire NHS estate, comprising premises owned and leased by providers (GPs and NHS Trusts) and by the NHS property companies (Community Health Partnerships and NHS Property Services).
- 2.7. The aim of the project is to replace the spreadsheet with an online database that can relate different data sources around a single property reference – the national unique property reference number (UPRN). Whilst HUDU has maintained and updated some of the data related to GP sites, the majority of the data has not been updated since 2016. The project will look to structure and automate data updates as far as possible to minimise requests from data owners. Good quality data is required by ICS to inform estates strategies and identification of estate need.
- 2.8. The data currently held and to be held within the asset database will continue to be treated as commercially sensitive as directed by the Department of Health and Social Care. The database will be created and managed on behalf of the five London ICS and NHS England and Improvement regional office.
- 2.9. To support the project, the HUDU require project management and technical support to ensure the delivery of key activities which will include:
- the PMO will liaise directly with the selected database supplier and manage the project delivery plan, ensuring time, quality and budget met;
 - promote and champion the value of a London-wide NHS estates database;
 - establishment and management of a working group with data owners and users;
 - organisation and facilitation of workshops with data owners and users to design and test the database;
 - implementation and maintenance of a robust governance structure and process to underpin the project and any associated committees;
 - development of processes to update and maintain the data, working with data owners and users within data protection law guidelines;

- analytical support and advice, particularly in relation to data sources and systems;
- working with stakeholders and suppliers to design and test the database as well as identify and advise on options for hosting, licences and permissions ready for deployment; and
- oversee training and mobilisation of the database across London partners.

2.10. The North East London Commissioning Support Unit (CSU) via Tower Hamlets CCG has undertaken to procure the PMO support on behalf of London partners. Tower Hamlets CCG is the current host and employer of the HUDU. The GLA will provide a grant to Tower Hamlets CCG to fund this work.

Best practice business case development

2.11. The New Hospital Programme has provided many NHS trusts and systems with the opportunity to redevelop their hospitals, improve their estate and transform services clinically and operationally. This programme also provides an opportunity to improve the efficiency and productivity of the NHS and support the financial sustainability of the sector. However, several of the New Hospital projects in London are finding it challenging to demonstrate financial affordability.

2.12. This is driven by a number of factors:

- activity planning – the overall activity and bed forecasts drive a much higher space requirement than can be afforded;
- NHS capital costing standards – rules around healthcare building notes and outline business case forms drive up overall capital values beyond a realistic asset valuation, creating additional financing and depreciation charges;
- Public Dividend Capital (PDC) charges – the PDC rate of 3.5% creates high financing charges;
- useful economic lives – guidance around the useful economic lives of assets often suggests a shorter life span for assets than has historically achieved, driving higher depreciation charges e.g. 10 years for equipment;
- financial benefits – cashable financial benefits linked to the redevelopment plans are challenging to evidence;
- transformation – the plans for the capital spend do not sufficiently unlock a transformative clinical and operational model; and
- other factors – other factors to optimise the plans have not been considered for examples sales of surplus land.

2.13. Feedback received from other partnership stakeholders has indicated that additional support focussed on establishing financial affordability would be helpful, in addition to the London '40 new hospital' schemes where the upfront capital investment is often significant.

2.14. The following methodology will be applied to the project:



2.15. The outputs of the work would be:

- a framework report to support the four London '40 new hospital' schemes to understand key principles and considerations around financial affordability; and
- a workshop with the schemes to discuss the framework report, share learnings and deliver hands on practical support.

2.16. Epsom and St Helier NHS Trust is one of the '40 new hospital' front runners and will take the lead on the procurement for advisors to support to work on demonstrating financial affordability on behalf of London partners. The GLA will provide a grant to Epsom and St Helier NHS Trust to fund this work.

Delegated authority for grant investment in other priority workstreams including the primary care and community estate mapping toolkit

2.17. The LEDU is committed to supporting London's five ICS's in the development of robust estates strategies. In light of the impact of Covid-19, ICS's have undertaken to refresh their system estate plans, which in part involves understanding the level of need around primary and community care estates. This has historically been an area that has seen the least amount of change and investment, and as such it is a key priority for the region to have fit for purpose estates that will support future ways of working in care provision.

2.18. The LEDU along with NHS partners and the Healthy London Partnership (HLP) commissioned Imperial College Health Care Partners, to develop a toolkit which will quantify the community infrastructure needed for a defined geographical area within London over the period 2020 - 2045. The toolkit is based on combining localised population projections with expected changes in the location of health care delivery. Once need has been established, estimates of building costs can then be applied to those space requirements, in order to allow estimation of the likely level of expenditure required for the specified area.

2.19. The toolkit can then be used by all system partners as a strategic planning tool to establish infrastructure need in the future and inform local, sub-regional and regional spatial and financial planning requirements. Whilst the toolkit uses default planning assumptions these can be overwritten to reflect changing or unique circumstances within a particular geographical area or service.

2.20. The funding to be granted to Imperial College Health Partners to create a cloud-based version of the toolkit will support:

- a single methodology for evidence-based planning used by all boroughs to enable the LEB to make effective and strategic decisions about plans that are comparable;
- consistently developed local plans from all boroughs to allow the LEB to have the 'whole picture' of primary care estates across London; and
- ongoing, practical support to ensure all boroughs can move at pace, when required, from planned development through to project delivery.

2.21. The toolkit has been developed in partnership with all key stakeholders and has been tested for reliability and sensitivity. There is an opportunity to convert the toolkit into an online, cloud-based platform which will provide greater accessibility and be user more friendly. The purchase of additional licences for the toolkit would also be required to enable wider access to the cloud-based system.

2.22. In addition to this work there are a small number of other workstreams that, subject to capacity and the ongoing impact of Covid-19, may be supported by the LEDU this financial year. Delegated authority is requested to grant-fund NHS partner organisations, via grant agreement, to undertake this work.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. Due regard must be had at the time a decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 3.2. The protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.3. The LEDU works in partnership with the GLA, NHS and other key stakeholders to ensure the delivery of health and care services in fit for purpose estates as well as supporting the Mayor in his commitment to addressing the housing shortage in London which disproportionately affects people with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing, will help to achieve positive impacts on the health and housing of Londoners.
- 3.4. Considering the obligations under section 149(1) of the Equality Act 2010, the requirement to develop these sites at high levels of affordable housing will help to increase the supply of affordable housing in London and benefit residents with low incomes. It is likely to have a positive impact upon groups with protected characteristics, such as age, disability, pregnancy and maternity, race and sex – all of which can be overrepresented on local authority housing waiting lists, as it will enable low income households and those which are vulnerable, to access affordable housing.
- 3.5. The homes also will be built in compliance with the London Plan. As this requires 10 per cent of all new homes to be built as wheelchair accessible it will significantly increase the number of accessible homes in the local area. Designated disabled persons' parking will be provided where required in accordance with the London Plan.

4. Other considerations

Link to Mayoral strategies and priorities

- 4.1. The LEDU supports the LEB and the collaborative working of the London Devolution partnership. The partnership's commitment to delivering key objectives for Londoners is solidified in the London Health & Care Estates Strategy.
- 4.2. By delivering the workstreams detailed in this paper, system partners, including the GLA, will be enabled to meet their collective ambitions to:
 - meet the health needs of a growing population (it is expected that the London population will grow a further circa 780,000 within the next 10 years);
 - improve the health outcomes and care experience of patients and their families in fit for purpose facilities;
 - support and accelerate changes in health and care service model delivery to reflect and drive best practice;
 - foster greater system wide working and strategic planning; and
 - deliver significant transformation in the NHS estate across London.
- 4.3. There are no conflicts of interest to note from those involved in drafting or clearing this decision.

Risks and issues

Risk	Impact	Likelihood	Mitigation
<p>Bubble Reputational risk to the LEB and LEDU if access to the PPM system cannot be provided.</p> <p>Adverse impact to Department of Health and Social Care onward reporting to Ministers of London's performance against delivery of key strategic estate priorities.</p>	High	Medium	Provide licences to all stakeholders and maintain central 'management' of licences via LEDU.
<p>Business case development Ability of the London health system to secure funding available for ICS strategic estate capital projects and the '40 new hospital' programme.</p>	High	Medium	Best practice advice and framework to achieve 'right first time' business cases.
<p>PMO support Reputational risk to the LEDU and HUDU if access to the asset database cannot be successfully implemented.</p>	High	High	Provision of PMO support by Tower Hamlets CCG to oversee design, mobilisation and implementation of the London asset database.
<p>PMO support Potential impact on quality of London ICS future estates strategies if good quality estates information is not accessible.</p>	High	High	Provision of PMO support.
<p>Primary care toolkit Continued misalignment and lack of clarity of primary care infrastructure requirements across London leading to lost opportunities, poor decision making and waste of resources.</p>	Medium	Medium	Development of a cloud based strategic planning toolkit by Imperial College Health Partners to be used at a local, system or London wide level to inform decision-making.

5. Financial comments

- 5.1. This decision requests approval for expenditure of up to £270,000 to establish grant funding agreements with separate NHS partners for the activity listed below in 2020/21:
- a) £100,000 to cover the provision of licences for the extended roll out of the Buddle Project Portfolio Management (PPM) tool to all London Integrated Care Systems;
 - b) £70,000 for project Management support to implement a London-wide asset database;
 - c) £50,000 consultancy support for the development of best practice business case guidance; and
 - d) an additional £50,000 in total to be paid via a grant agreement to the relevant NHS partner(s) for the completion of a primary care strategic planning tool and other priority workstreams.
- 5.2. This funding will come from the 2020/21 LEDU non-pay budget.
- 5.3. The LEDU annual budget of £800,000 is 50% funded by GLA (Land Fund- revenue) and 50% by NHS partners.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment, in Greater London.
- 6.2. In implementing the proposals in respect of which a decision is sought, officers should comply with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - consult with appropriate bodies.
- 6.3. In taking the decisions requested, as noted in section 3 above, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.4. Section 1 of this report indicates that part of the sought budget will amount to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equality policy, subsidy control rules and in a manner, which affords value for money in accordance with the GLA Contracts and Funding Code. Officers must ensure that an appropriate funding agreement is put in place and executed by the GLA and the recipient before any commitment to funding is made.

7. Planned delivery approach and next steps

Activity	Timeline
Grant agreements issued	19 March 2021
Grant agreements agreed and signed	31 May 2021
Delivery end date	31 May 2021

Appendices and supporting papers:

LEB Operating Framework: https://www.london.gov.uk/sites/default/files/london_estates_board_operating_framework_2017.pdf

Devolution MoU

https://www.england.nhs.uk/london/wp-content/uploads/sites/8/2017/11/171115_Signed-Memorandum-of-Understanding-Report-VF.pdf

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: Request to defer publishing information regarding budgets which have been ringfenced for the work outlined above to allow for transparent tendering and ensure best possible value is achieved at the procurement stage.

Until what date: 1 April 2021 - all services are expected to be procured in the current financial year.

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer

Sue Hardy has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Rickardo Hyatt has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 8 March 2021.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

D. Gove

Date

11 March 2021

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Jellamy

Date

8 March 2021

