



East London
NHS Foundation Trust

ELFT Estate Environmental Strategy

Summary Report

March 2023



We are delighted to be sharing our estate environmental strategy, which supports the Trust's mission to improve the quality of life for all we serve.

This strategy embraces our suite of enabling strategies, which include digital, people, environmental and the emerging clinical strategy, and provides the opportunity to help transform our current estate to ensure we provide the highest quality mental health and community primary care services to our local communities.

The strategy also reflects the tremendous input, knowledge and enthusiasm of the workforce who have supported our strategy, and who help us with our mission to improve population health and enhance service user and staff experience. We would also like to thank our system partners who we are increasingly collaborating with across the public estate in a changing and challenging NHS environment.

This strategy aims to set the direction of travel for our estate development over the next 5 years, acknowledging that further work will be undertaken to develop the site masterplans and delivery plans. Implementation of the strategy will therefore be an iterative process that must be flexible and able to respond to changing needs, priorities and financial challenges of ELFT and the wider healthcare system. Whilst we set out new and exciting ambitions for our future estate, we must be mindful of the challenges of maintaining our facilities to ensure a safe and sustainable environment for our patients and staff.

As we take forward the priority areas identified within the estate environmental strategy, we will continue to engage with staff, communities, and stakeholders to further develop our future estate requirements and co-produce associated detailed implementation plans. It is clear that our estate must change if it is to be sustainable, and viable and support the ELFT mission of improving the quality of life for all that we serve.



Paul Calaminus
Chief Executive



Eileen Taylor
Chair



David Stevens
Director of Estates, Facilities
& Capital Development



1. Introduction

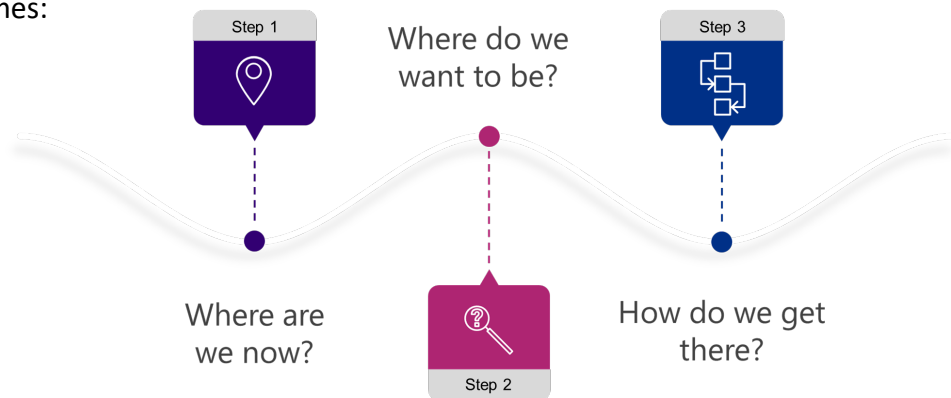
Introduction to the Estate Environmental Strategy

This estate environmental strategy aims to set the direction of travel for our estate development over the next five years. This process will be inextricably linked to estate planning within the wider system context in North East London and Bedfordshire, Luton, and Milton Keynes estate objectives, as well as our internal strategies. The strategy provides a framework for determining priorities and business cases for capital investment.

This strategy is considered to be a live document subject to regular review and ensures alignment with the Trust's medium term planning cycles. The resulting governance structure put in place will help to instil accountability and share best practices as the strategy is implemented.

The estate environmental strategy has been developed over a 12-month period. The strategy was developed through a series of workshops, away days, big conversations with stakeholders and service users, and executive sessions. The aim was to develop and evaluate alternative scenarios resulting in the identification of scenarios for the direction of travel for the next five years.

The estate environmental strategy aligns with our mission to improve population health, enhance service user and staff experience and focus on equity, social justice and collaborative partnership. The strategy has been structured under three key themes:



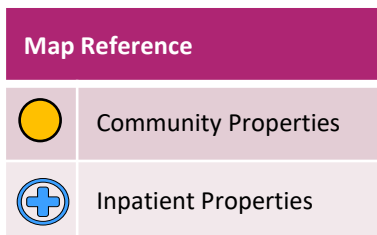
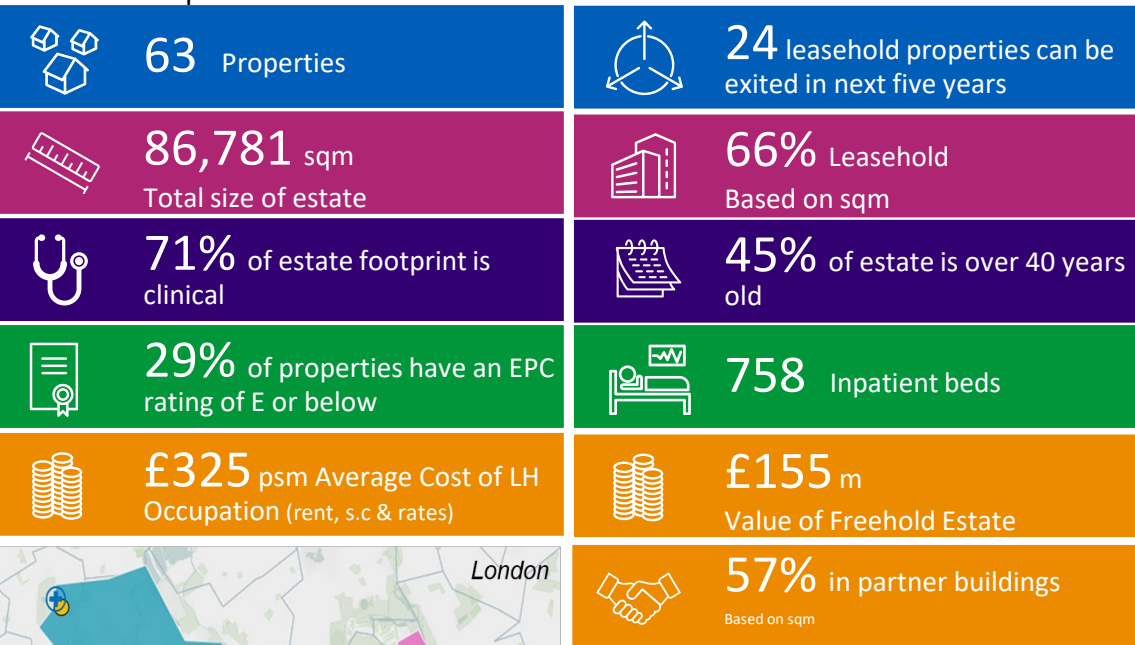
This version is our condensed Estates Environmental Strategy and highlights the core aspects of our strategy. Our full version includes details on the local, regional and national context in which we operate including how we engage with our ICS's and Partners – Including NELFT. The full report includes sections on our approach to the findings of the Fuller Report, The Hewitt Review, our Green Plan and links to our other internal ELFT Strategies – such as our Digital Strategy, our People Plan, our People Participation Priorities, plus our work as an Anchor Institution and Marmot Organisation. It also contains further details on our Development Control Plans, Our Capital Programme, Key Estates metrics and condition data.



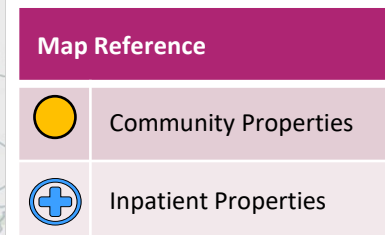
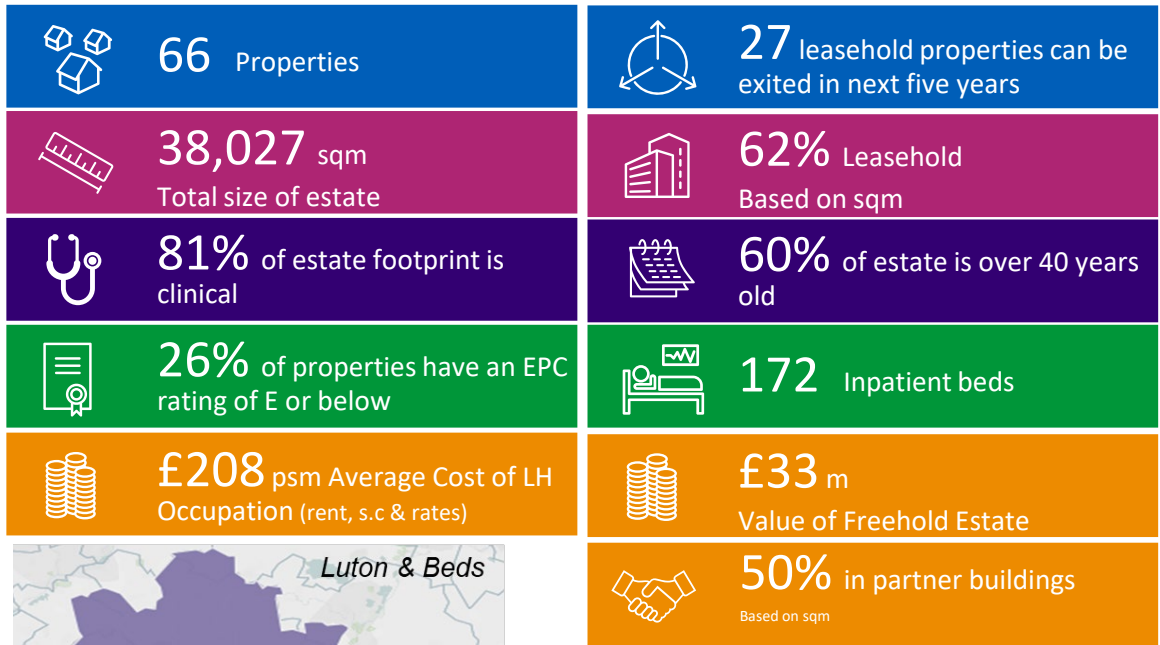
2. Where are we now?

Summary of ELFT Key Estate Metrics

A vast majority of our **East London estate** is leasehold and clinical space, with 45% older than 40 years and c.30% of the estate with poor energy performance, which does not support the Trust's net zero ambitions. However, there is an opportunity within the leasehold estate for considerable flexibility and greater efficiency with circa 40% of leases ending or potentially breaking over the next five years. The vast bulk of our inpatient beds are within East London.



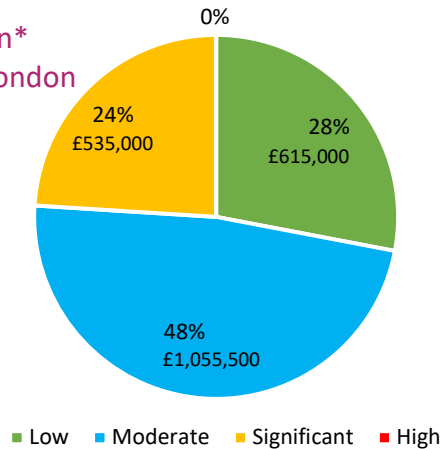
A vast majority of our **Luton and Bedfordshire estate** is leasehold and clinical space, with 60% older than 40 years and c.30% of the estate with poor energy performance. 27 leases are either ending or potentially breaking within the next five years. The average costs of our leaseholds are considerably lower than East London, reflecting lower cost of occupying real estate outside of London, coupled with the older estate.



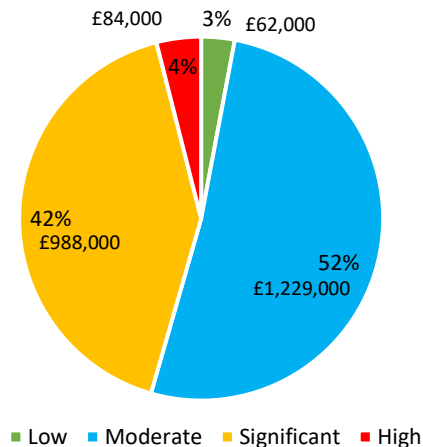
East London Backlog Maintenance

A specialist building consultancy surveyed a proportion of the East London estate (36 properties) as part of their Six Facet Survey work in 2022. A summary of Two key indicators, the Statutory Compliance Total Risk Score and the Building Condition total Cost Score, are shown below (*This data is currently being reviewed with all appropriate sites being resurveyed, costed and benchmarked*):

Facet One: Condition*
Total Cost for East London



Facet Five: Statutory Compliance**
Total Risk Score by Risk Grade for East London



Building Backlog Maintenance Summary - Costs are currently being re-validated

Borough	No. of properties	GIA (sqm)	Budget Cost*** (5yr) – excl. VAT, Fees, Contingency	Statutory Compliance £ ***
Tower Hamlets	7	10,213	£1,813,000.00	£539,000.00
City and Hackney	7	5,837	£2,088,000.00	£692,000.00
Newham	16	17,340	£6,054,000.00	£960,000.00
Forensics	6	15,552	£3,088,000.00	£688,000.00
Total for East London	36	48,942	£13,043,000.00	£2,879,000.00

Unless adequately maintained with considerable investment in upgraded facilities, all healthcare estates deteriorate over time and will eventually become untenable. Qualities and characteristics of the Trust’s existing built environment may not be fit for purpose, and in some instances over time can become dangerous. Ageing buildings that remain a part of existing estates may not be capable of adaptation and modernisation through refurbishment to meet the needs of modern healthcare services, and there could be a need for rationalisation or decommissioning.

The backlog maintenance costings needs to be risk-adjusted to support the future investment strategy for the estate, which needs to be balanced against a number of key factors including but not limited to:

- Patient/service user needs
- Demands at each location
- Utilisation
- Cost
- Clinical suitability

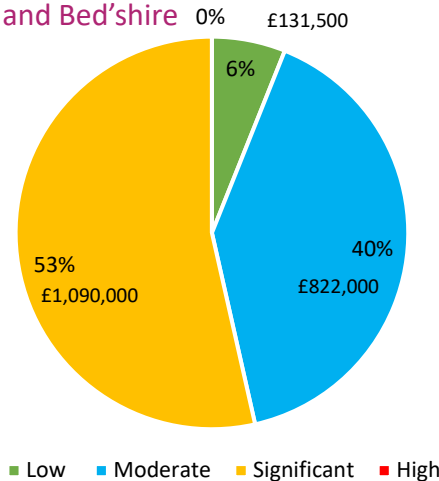
*Facet One – A risk based survey providing practical information for assessing building stock condition
 **Facet Five – An assessment of statutory requirements necessary to carry out an estate rationalisation review, the elements of this audit carry a mandatory requirement in that Duty Holders have a legal obligation to ensure that their premises are compliant. This audit identifies the extent to which the facilities comply with statutory regulations
 ***Costs do not include VAT, fees, contingency, inflation

Luton and Bedfordshire Backlog Maintenance

A specialist building consultancy surveyed a proportion of the Luton and Bedfordshire 34 properties as part of their Six Facet Survey work. A summary of the Statutory Compliance Total Risk Score and the Building Condition total Cost Score is shown below: (This data is currently being reviewed with all appropriate sites being resurveyed, costed and benchmarked):

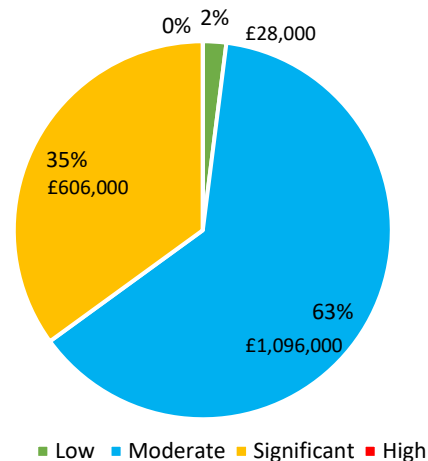
Facet One: Condition*

Total Cost for Luton and Bed'shire



Facet Five: Statutory Compliance**

Total Risk Score by Risk Grade for Luton and Bedfordshire



Building Backlog Maintenance Summary - Costs are currently being re-validated

Borough	No. of properties	GIA (sqm)	Budget Cost *** (5yr) excl. VAT, Fees, Contingency	Statutory Compliance £ ***
Luton	12	7,539	£6,149,000.00	£494,000.00
Bedfordshire	22	12,189	£10,582,000.00	£2,453,000.00
Total for Luton and Bedfordshire	34	19,728	£16,731,000.00	£2,947,000.00

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Model Health System

Model Health System (formerly Model Hospital) is a digital information service designed to help NHS providers to improve their productivity and efficiency. It is used to measure performance and efficiency metrics and enable benchmarking for improving performances. Estates benchmarking data is available for a range of subjects including estates and facilities running costs, space utilisation, and patient safety. The data within the Model Health System is derived from the annual Estates Returns Information Collection (ERIC) data. The data contains information relating to costs of providing and maintaining the NHS Estate including buildings, maintaining, and equipping hospitals and providing services e.g. laundry, consumption of utilities, etc.

A number of key estates metrics have been taken from the Model Health Systems. The graphs illustrate how ELFT's key estate metrics compare to Trusts within the same peer groups. Trusts that are included in the peer group are:

- South London and Maudsley NHS Foundation Trust
- North East London Foundation Trust
- Oxleas NHS Foundation Trust
- South West London and St George's Mental Health NHS Trust
- Leeds and York Partnership NHS Foundation Trust

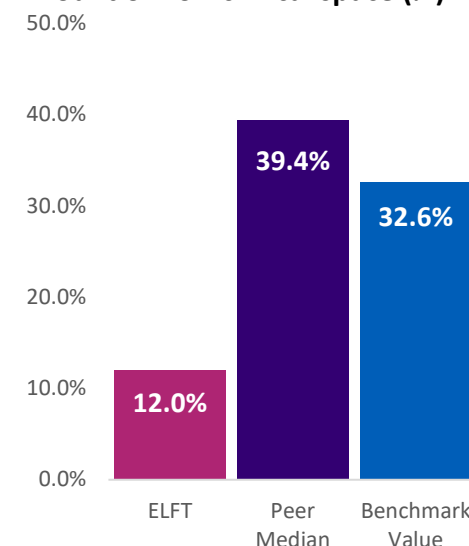
The property data used throughout this report is from the ELFT Master spreadsheet 2022/2023. The data used in the following graphs have been taken from the Model Hospital System 2021/2022 so the data, therefore, reflects slightly differently from the costs and percentages in the main summary.

Key Message: ELFT estate performing well against peers and national benchmarks for key estate metrics

Estates and Facilities Cost (£ per sqm)



Amount of non-clinical space (%)



Energy Costs (£ per sqm)



Total Backlog Maintenance Costs (£m)





Low investment & CDEL availability / affordability

01



Poor Therapeutic Environments

02



Pace and alignment of ICS estate strategies

03



Poor Compliance

04



Digital Interconnectivity and Investment

05



Backlog Maintenance

06



Affordability of creating a Net Zero estate

07



PFI Contract Expiry at Newham (2032)

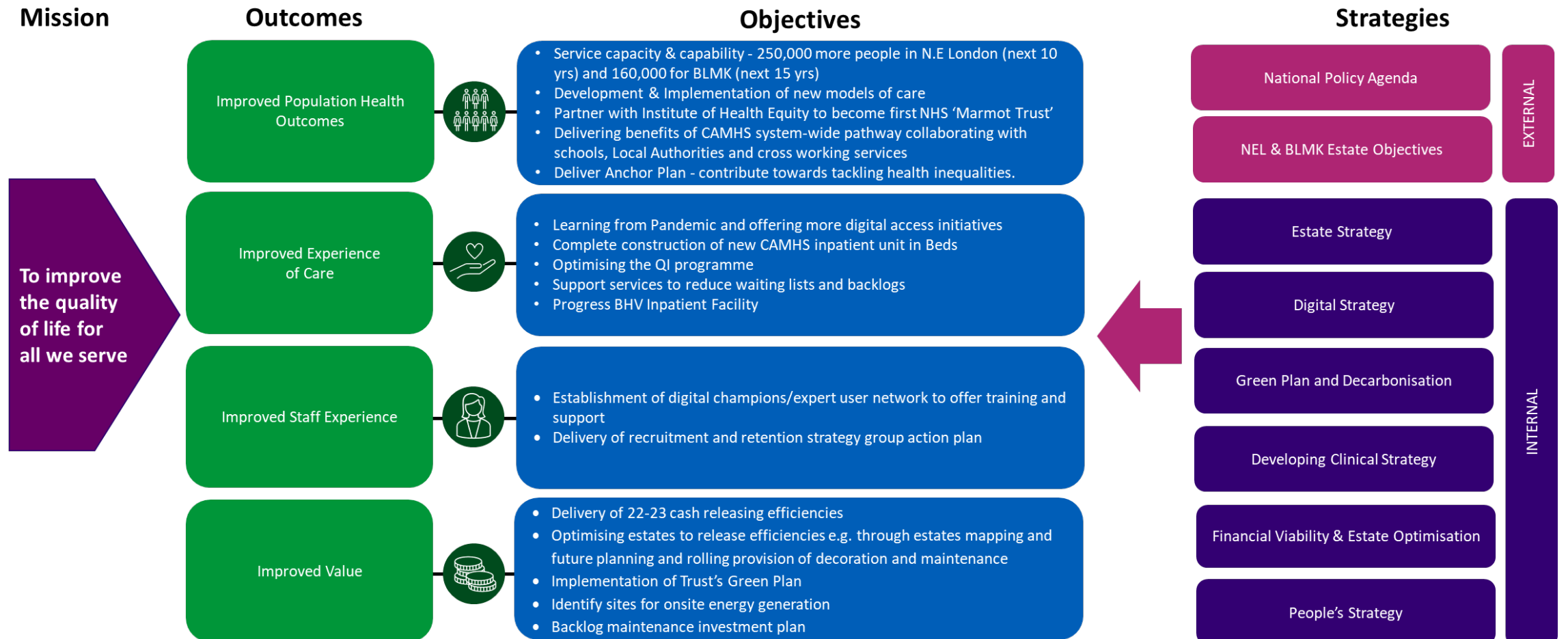
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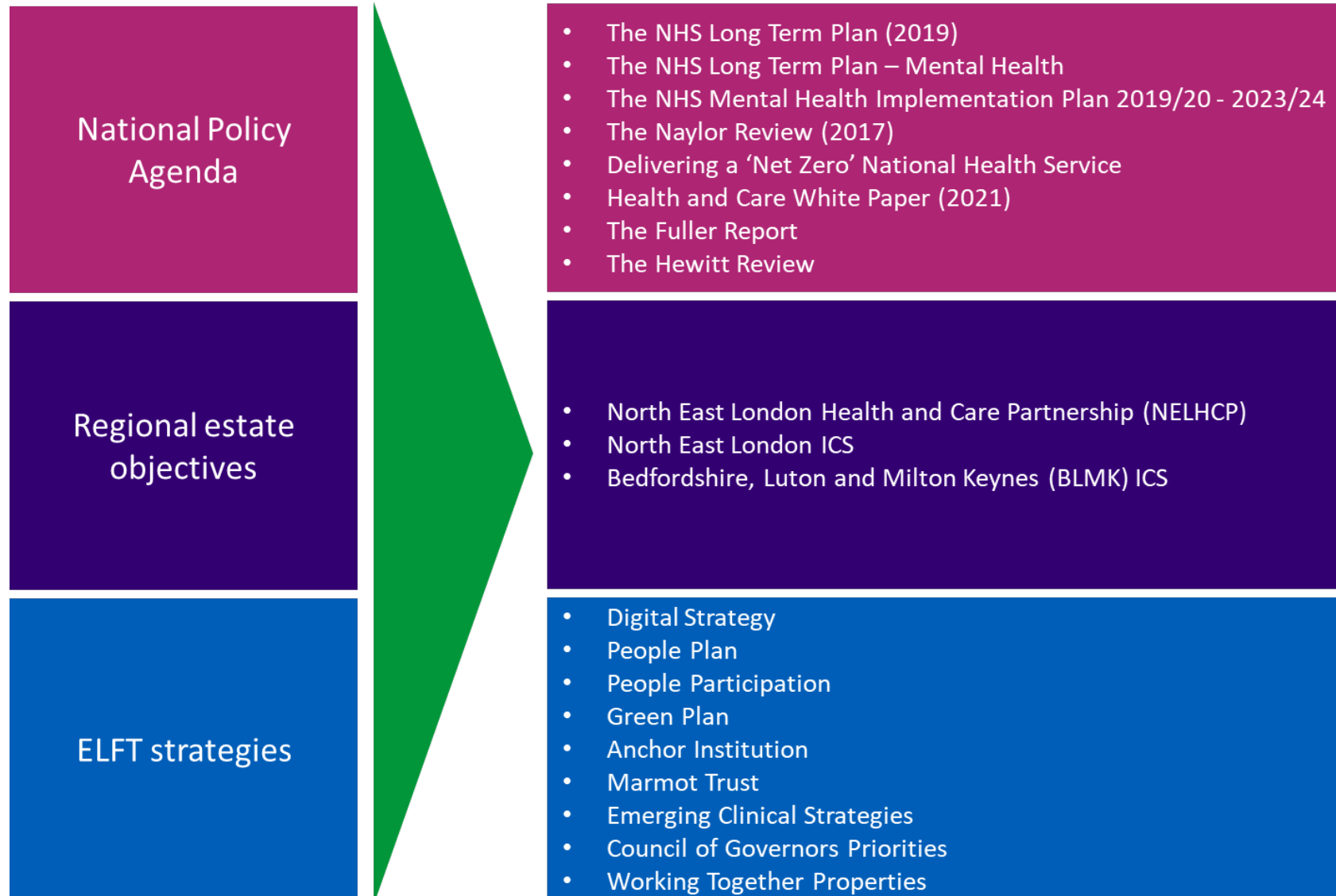
3. Where do we want to be?

To develop a robust estate environmental strategy, estate development cannot be viewed in isolation. It is both an enabler for our other Healthcare priorities (e.g. improving population health outcomes) and an end itself (e.g. maintaining the condition of the sites). Our other system and internal strategies priorities will also need to be considered in helping to achieve our mission and goals when developing the estate environmental strategy.

The graphic below details the prime objectives which support our missions and goals. Some of the objectives are clinical, some are corporate and some are estates. The figure below illustrates at a high level how several external and internal strategies will support the goals and objectives and how they will be an enabler that forms part of the estate environmental strategy.



To develop a robust estate environmental strategy, estate development cannot be viewed in isolation. It is important to consider the impact of system and borough led priorities as this will impact the scope of our vision. This section will look at our strategic context including national, regional and local strategies and is summarised below.



Our vision is to make positive differences in people’s lives. We will do this by providing the highest quality mental health and community and primary care services to local communities. To demonstrate our values, we work together as a team with service users, carers, and partners. We actively make continuous improvements to deliver the highest quality services. We encourage research and innovation to find new and better ways of treating people and keeping them healthy and well. We then share what we learn to benefit as many people as possible.

The key estate environmental strategy principles were developed in consultation with stakeholder engagement and with senior colleagues at ELFT.

Our values and visions can be attributed to the four key strategic principles to ensure there is alignment between the key principles and the overarching values and visions.

ELFT VALUES

We Care



We Respect



We are Inclusive



ELFT VISION

Person Centred
Co-ordinated
Care



Improve Health
and Wellbeing



Recover from
Pandemic








Promote
Social Justice



SUPPORTING TRANSFORMATION

- Increasing emphasis on population health outcomes, prevention, service user and community engagement e.g. Marmot Trust
- Integration: within ELFT and with partners – physical health, social services, primary care, education
- Co-location: service benefits first, estate rationalisation second
- Anchor institution to maximise social value for the community
- Digitally enabled transformation, post-pandemic hybrid models

FUNCTIONAL COHESION

- Increase use of generic accommodation e.g. health on the High Street; locate services where the people are
- Flexible space for changing models of care
- Anticipate estate implications of service developments
- Smart system for room booking across ELFT properties (cf ICS Estate Strategy)
- Good IT infrastructure








**Key
Strategy
Principles**



VALUE DRIVEN FACILITES

- Trauma-informed approach to care; premises which are accessible, welcoming and safe (trauma-informed and sensory integration-aware)
- Culturally responsive environments and locations
- Improve response to building deficiencies








STAFF WELLBEING/RECRUITMENT AND RETENTION

- Environmental contribution to staff wellbeing
- Promote new facilities with suitable staff amenities (e.g. Bedford Health Village, Tower Hamlets Town Hall)
- Flexible working supporting staff to have greater choice in where, when and how they work





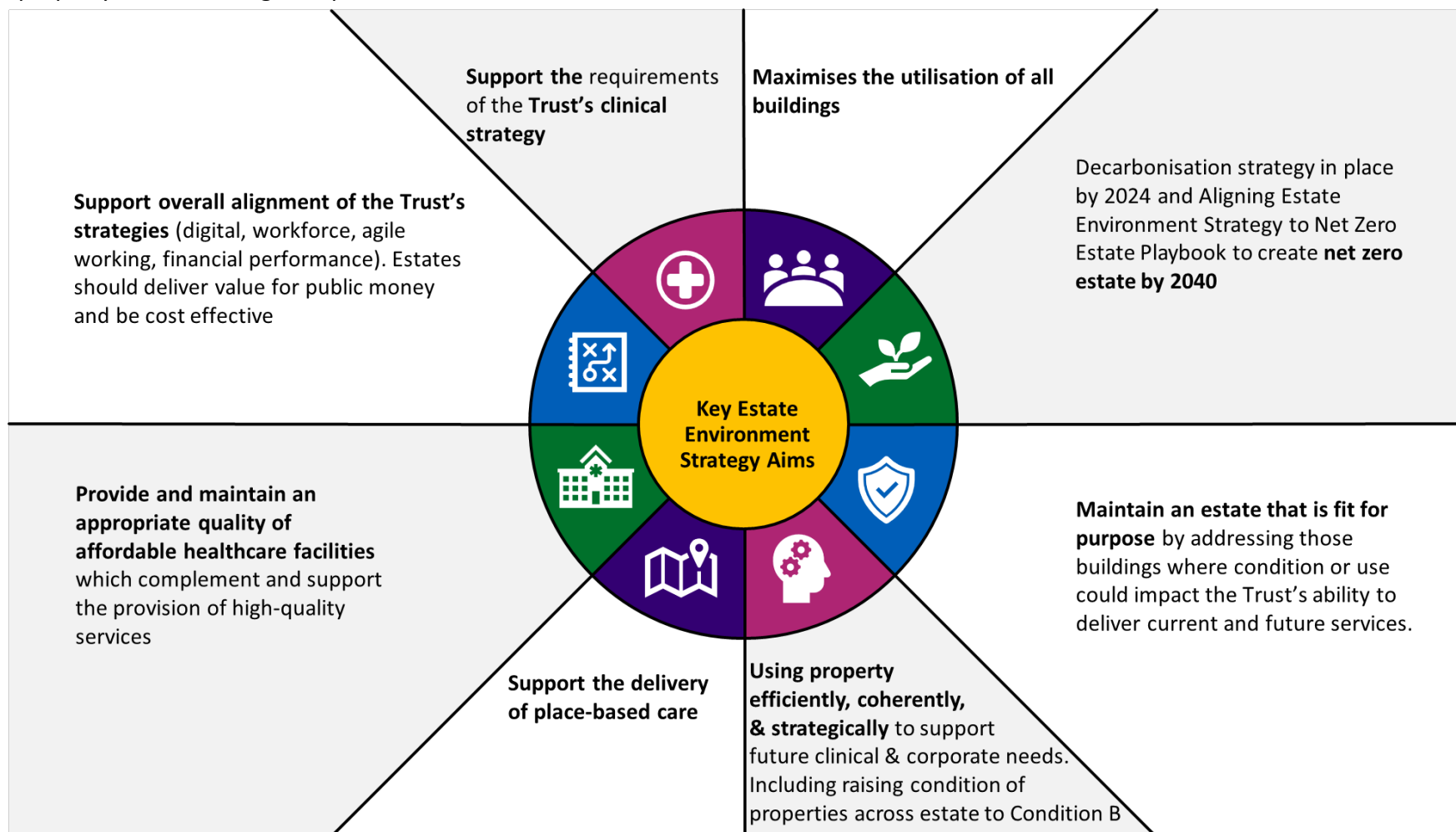



Key aims of the Estate Environmental Strategy

The following is a high level summary of where we want to be in terms of the development of our Estate:

- **Rationalise** the estate, making the best use of the existing space and **closing buildings** that do not represent good value for money and/or are not fit for purpose;
- **Dispose of** the property that is no longer required;

- Work with the partners (ICs, OPE, etc.) to **co-locate appropriate services** to achieve efficiencies in occupancy costs and realise benefits for patients and staff;
- **Improve to condition B, performance, and compliance** of the retained estate;
- Aligning the Estate Environmental Strategy principles to the Net Zero Estate Playbook to create **net zero estates by 2040**; and
- Promote **new facilities** as an aid to staff recruitment and retention.





4. How do we get there?

Initial Short-Listed Options for Development

The proposed development of the estate environmental strategy is to support our suite of enabling strategies providing the opportunity to reconfigure, redevelop and rationalise the current estate portfolio.

This estate environmental strategy proposes to reconfigure and redevelop existing inpatient and community facilities to create modern and much-improved environments for patients and staff.

Some of the current inpatient environments across the Trust could be better, particularly across Luton and Bedfordshire. We have therefore considered as part of this strategy the opportunities to improve the configuration, condition and redevelopment options. These have been based on best practice standards to support our vision to enhance the service quality and delivery of patient care and carer experience, noting also our aspiration to be a leader in both our ICSs.

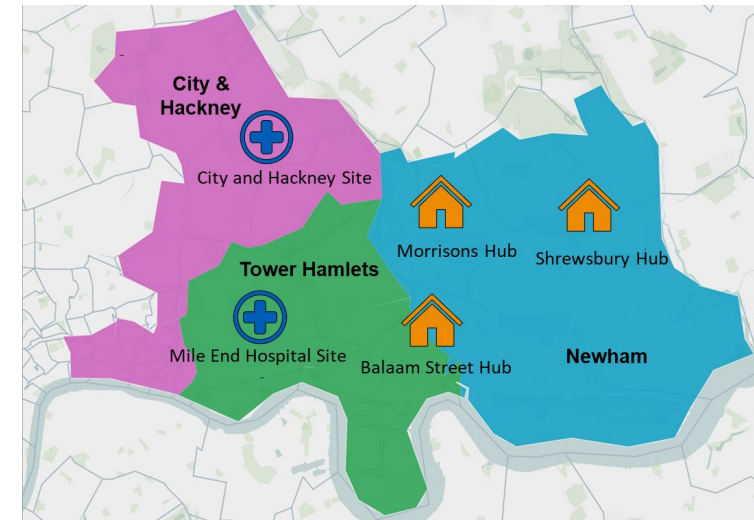
A number of community properties were highlighted in the 1-2-1 interviews and workshops as not fit for purpose and they have been highlighted for consideration. There are states challenges across the entire geographical area however, Newham has been highlighted as a particular area of concern and in turn, considered a priority. There are also several opportunities to consolidate services into existing buildings throughout the ELFT estate which will also help to tackle backlog maintenance costs.

The initial pipeline of priorities identified by ELFT

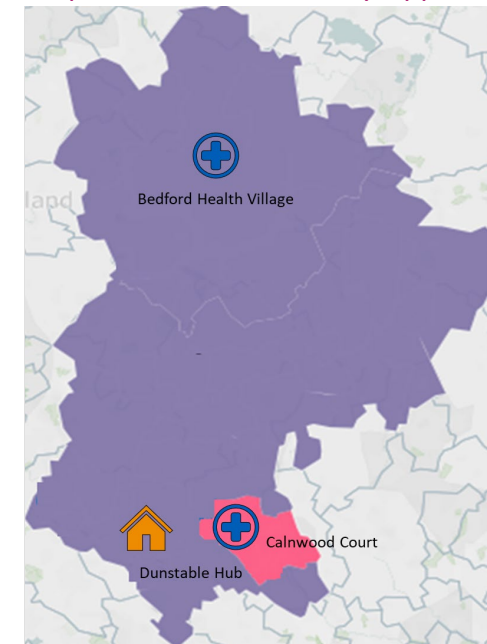
The following schemes have been highlighted by ELFT as priorities:

Inpatient Facilities	Community Facilities
John Howard Masterplan	Balaam Street Redevelopment
Mile End and City & Hackney Masterplan	Morrisons Site Development
Bedford Health Village Masterplan	Shrewsbury Site Redevelopment
Calnwood Court Reconfiguration	Dunstable Hub

East London Inpatient and Community Opportunities



Luton and Bedfordshire Inpatient and Community Opportunities



Capital Costs for Inpatient Schemes

Capital Costs for Hospital Sites

The high level works costs and scheme costs for each of the inpatient opportunities for John Howard Centre, Bedford Health Village, Tower Hamlets Centre for Mental Health, City and Hackney Centre for Mental Health, and Calnwood Court are summarised in the table below.

Works costs - include construction costs and external works

Schemes costs - include inflation, professional fees, other development/project costs, planning contingency, optimism bias, VAT and VAT recovery on professional fees.

Both costs excludes client supplied equipment and Information Technology.

John Howard Centre

Options	Total Work Costs	Total Scheme Costs
Option 1: Relocate the John Howard Site	£55,000,000- £75,000,000	£110,000,000- £140,000,000
Option 2: Demolish and rebuild on existing site	£65,000,000- £90,000,000	£130,000,000- £170,000,000
Option 3: Refurbishment and extensions on existing site	£33,500,000- £40,500,000	£67,000,000- £85,000,000

Bedford Health Village*

Options	Total Work Costs	Total Scheme Costs
Creation of a new Mental Health Inpatient Centre, consolidating existing services	£72,000,000- £95,000,000	£120,000,000- £160,000,000

Reprovision of Luton Wards incl Townsend Court and Jade Ward

Options	Total Work Costs	Total Scheme Costs
Reprovision of Luton wards inc Townsend Court & Jade Ward.	TBC	£10,000,000

Tower Hamlets Centre for Mental Health (THCFMH) and City and Hackney Centre for Mental Health (CHCFMH)

Options	Total Work Costs	Total Scheme Costs
Option 1: Refurbing both THCFMH and CHCFMH	£35,000,000- £45,000,000	£70,000,000- £95,000,000
Option 2: New Building on Mile End Site for either THCFMH OR CHCFMH	£50,000,000- £65,000,000	£95,000,000- £130,000,000
Option 3: New Build on Mile End Site for both THCFMH and CHCFMH	£90,000,000- £125,000,000	£180,000,000- £240,000,000

Calnwood Court*

Options	Total Work Costs	Total Scheme Costs
Option 1: Ground: Refurbish to CAMHS PICU), 1 st Floor: CAMHS (Evergreen as is)	£3,600,000	£5,700,000
Option 2: Ground: Refurbish to CAMHS PICU, 1 st Floor: CAMHS (extend Evergreen)	£5,200,000	£8,000,000
Option 3: Ground: Female Crystal Ward remains, 1 st Floor: CAMHS (extend Evergreen)	£1,600,000	£2,300,000

*costs have been taken from Medical Architecture feasibility studies (Jun and Nov 22)

** Other Costs were estimated in Q3 2022

Capital Gap: Base Case and Funding Options

Capital Gap: Base Case

An example capital gap analysis has been undertaken based on the preferred options for each of the inpatient schemes. The mid point has been taken from the total scheme costs.

The potential preferred options for each of the inpatient schemes are:

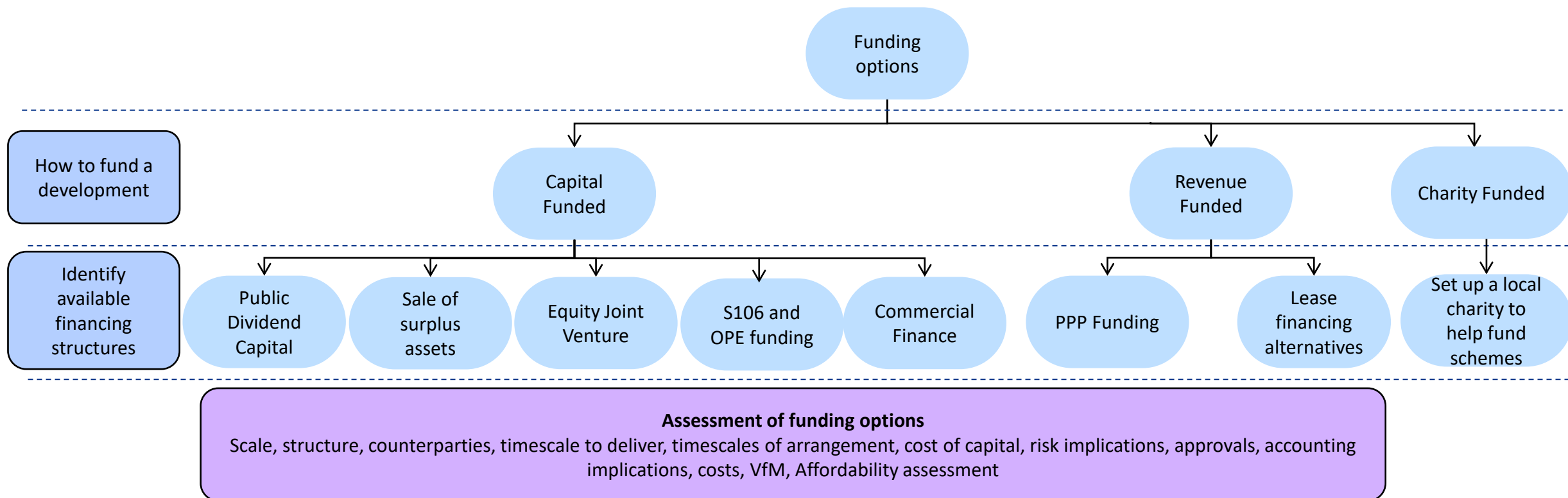
Scheme	Option
John Howard Centre	2
Tower Hamlets Centre for MH & City and Hackney Centre for MH	2
Bedford Health Village	1
Calnwood Court	1

The capital cost for the example Base Case scenario is £344m. As identified on page 26 capital contributions have been identified and this equates to £42m from potential disposals and their associated backlog maintenance.

As illustrated in the graph to the right, this leaves a gap in capital requirement of £302m to fund the development of the estate strategy:



The below decision tree, sets out a shortlist of potential funding options and relevant structures, focusing on new developments. The development and viability will need to be worked through collaboratively with ELFT and the chosen route will be dependent on the ability to obtain appropriate CDEL cover. This doesn't take into account the revenue savings of colocation and exiting buildings. Additional sources of capital would include Section 106, CIL and One Public Estate (OPE) funding.



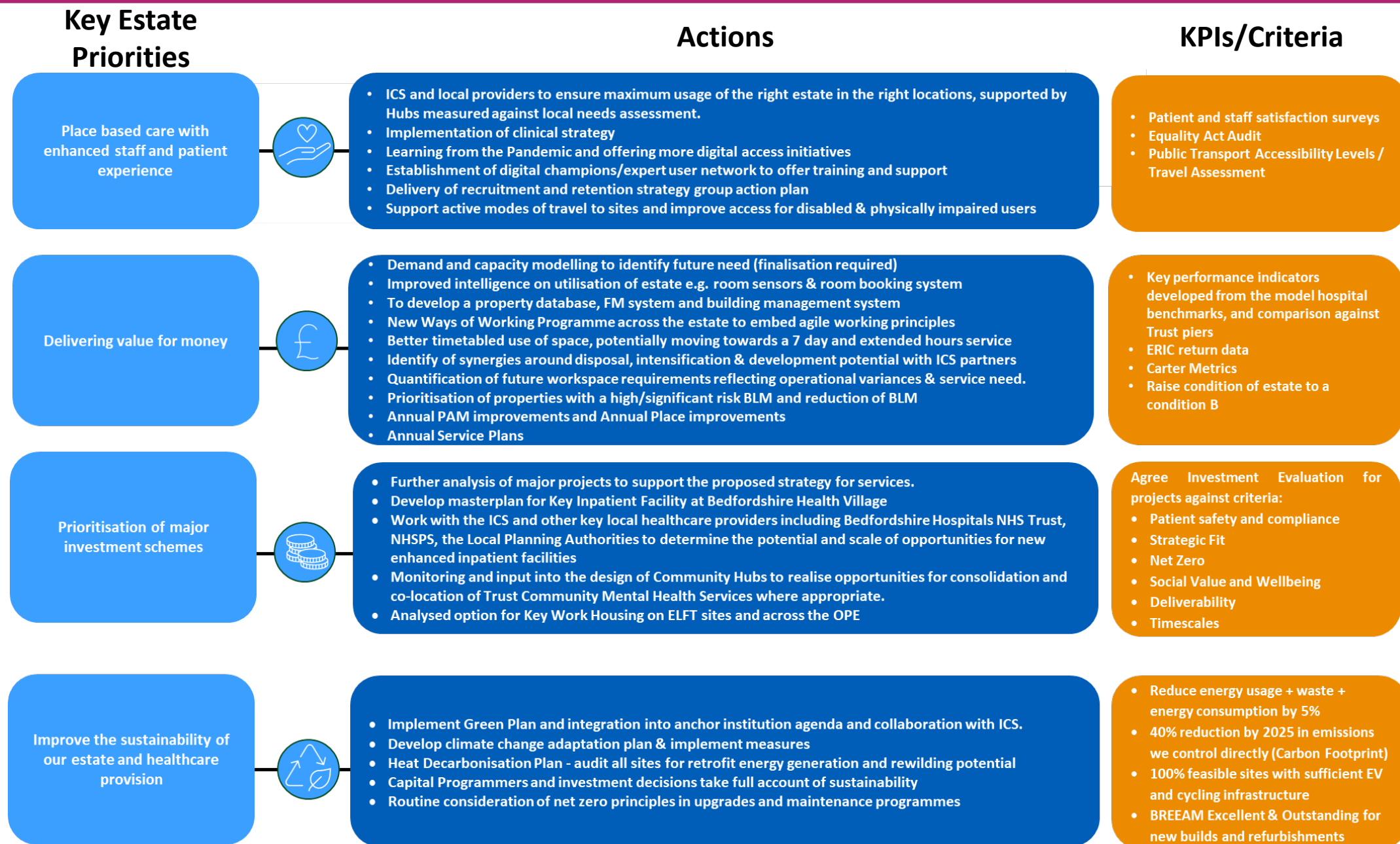
Other funding sources that should also be explored to bridge the gap include:

- NEL ICS has also been exploring opportunities for investment and development with OPE, with the potential for different Councils to act as developers either for shared premises, with Health paying a proportion of the costs as an occupier but without the need for capital investment and the lengthy NHSE approval process
- Other routes for investment include 3PD market, joint venture opportunities, providers' own capital, and disposal of surplus land with reinvestment into the estate.
- NEL ICS estate scope for increased utilisation variously and surplus estate identified and reported which has confirmed very limited opportunities to generate large capital sums from disposal (excluding the Whipps Cross redevelopment), although the use of void spaces and transferred ownership of leases needs further consideration to optimise the opportunity to meet demand and contain costs.

ELFT Estates Priorities Action Plan

Through individual stakeholder meetings and workshops, we have identified a number of key priorities, actions and Key Performance Indicators (KPI's) to measure success and performance against. The key priorities, actions and KPI's can be found in the figure below and overleaf:





Delivering the Vision – Key Steps for the Next 5 Years

Prioritisation

- Financial criteria
- Non-financial criteria
- Agree methodology
- Funding

Targeted deep dive analysis

For example:

- Utilisation, access, compliance
- Equality Impact Assessment
- Socio-Economic Impact Assessment

Collaborative delivery

- Integrated partnership approach (e.g. Health and Care Space Newham, NEL Health & Care Partnership)
- ELFT JV's e.g. Bedford Health Village

Managing delivery

- Prioritised project pipeline
- Annualised Service Estate Plans
- Business case process and funding
- Project Boards / Working groups
- Iterative implementation of strategy

From March 2023 for 5 years

Strategy Alignment

- National
- ICS
- ELFT: Clinical, Digital, Workforce, Agile

Continued engagement and consultation

- Patients/Service Users, stakeholders, staff, communities
- Further develop estate requirements and implementation plans
- Formal consultation may be required

Repurpose, Reconfigure Rationalise

- In response to ELFT strategies
- Improve patient pathways
- Contribute to net zero

Measuring success

- Monitoring of KPIs
- Improvement dashboard
- Review targets/strategy and update