

Subject: Changes to the GLA Establishment: London Estates Delivery Unit

Report to: GLA Oversight Committee

Report of: Chief Officer

Date: 27 February 2019

This report will be considered in public

1. Summary

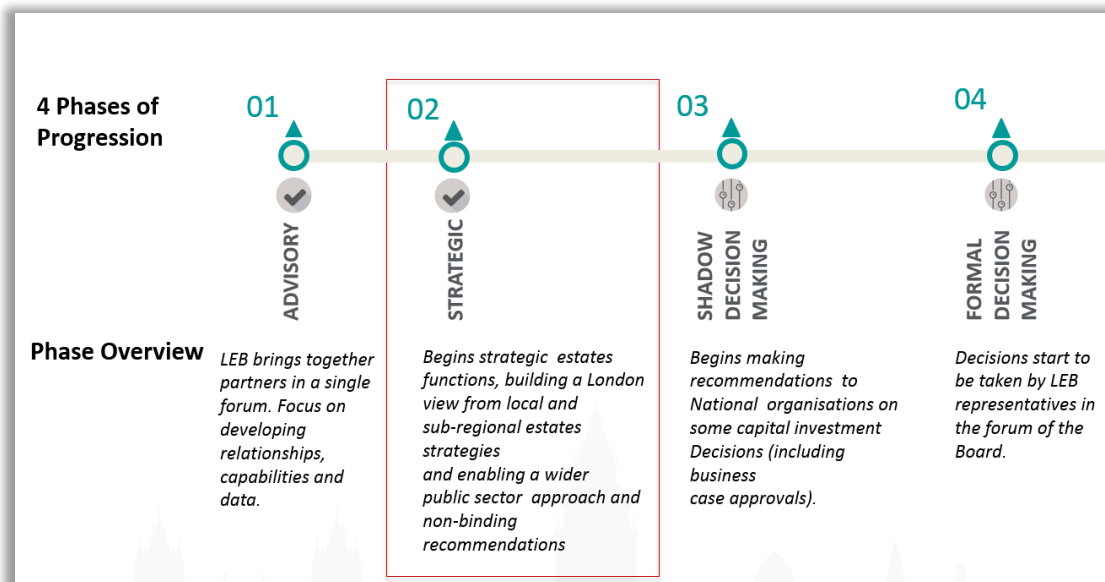
- 1.1 This report sets out the requirement for an additional five posts and the conversion of two temporary posts to permanent within the Housing and Land Directorate to strengthen the capacity of the London Estates Delivery Unit (LEDU) which is working with NHS partners as a key component of the wider NHS devolution agreement that was agreed between the government and the Mayor in November 2017. This requirement was referenced in section 3 of the Housing and Land Staffing Growth paper presented to the Oversight Committee on 30 January 2019.
- 1.2 Devolution work in support of London's estates transformation is progressing well. The Programme Director for the LEDU commenced post at the beginning of July 2018 and has focussed on building the team (both core and virtual), strengthening governance arrangements, supporting Sustainability and Transformation Partnerships (STPs) to meet immediate deadlines, establishing key relationships across the partnership and placing the London Estates Board in the best possible position to move to phase 3 of devolution by April 2019. The hosting and co-location of the LEDU by the GLA creates strong alignment between the LEDU and the GLA Housing and Land Team; positive working relationships have been formed, and joint working is taking place in respect of a number of key programmes (One Public Estate and Homes for NHS Staff) and on a number of major site opportunities. Forming the LEDU core and virtual team is the key priority to delivering the aims and objectives of the London Estates Board and successfully achieving the next phase of devolution.
- 1.3 The health and care devolution work is currently funded by partner contributions (GLA (Health), the Department of Health, HMT, London Councils, Clinical Commissioning Groups (CCG's), NHS England and NHS Improvement) and the LEDU is hosted by the GLA housing and land team. To date the partnership funding from the GLA has come from the health team and the budget contribution in 2018/19 is £200k.

2. Recommendation

- 2.1 **That the Committee responds to the Chief Officer's consultation on the creation of an additional five posts and conversion of two temporary posts to permanent within the Housing and Land Directorate to support the work of the London Estates Delivery Unit.**
- 2.2 **That the Committee notes that there is a net nil impact on GLA budgets as a result of this proposal.**

3. Background

- 3.1 In November 2017 the London Health and Care Memorandum of Understanding (MoU) was signed and aims to enable the widest and fastest improvement in the health and wellbeing of 8.6 million Londoners by transforming the way that health and social care services are delivered, how they are used and how far the need for them can be prevented. London and national partners continue to work together to achieve this shared objective.
- 3.2 Through the MoU, London partners aim to become England's largest urban area to deliver transformation at scale and pace. All partners agree to act in good faith to support the objectives and principles of this MoU for the benefit of the health and wellbeing of all London citizens and patients, which includes a commitment to disseminate learning within and beyond the London system.
- 3.3 By working together, London and national partners will be able to fully understand and manage risk collectively. The London system will take more control of its own future and responsibilities, in a phased way that is safe and beneficial for patients and communities.
- 3.4 The NHS estate in London is considerable, but significant capital investment is required to ensure high quality health and care infrastructure and greater investment in primary and community care facilities. Partners recognise the opportunity to improve system-wide planning, reduce underutilisation, release surplus land and capital and realise wider one public sector estate opportunities.
- 3.5 London and national partners have established a London Estates Board (LEB) to directly address some of the challenges involved in securing NHS estates approvals and disposals, working in more transparent and collaborative ways for the benefit of London's health and care system. The LEB was formed in 2016 and provides a single forum for estate discussions in London and ensures early involvement of London government partners. As it matures, subject to agreed hurdle criteria, the LEB would 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.
- 3.6 The LEB is currently operating within phase 2 of the devolution gateway (strategic) but aims to move to phase 3 (shadow decision making) in April 2019 and phase 4 (formal decision making) in 2020.



- 3.7 The LEB works with the GLA to ensure optimum land assembly and efficient procurement of sites through links with the Housing and Land Directorate Strategic Projects and Property Team. This will include enabling wider public sector utilisation, especially for new and affordable housing, where land is surplus to health and care requirements, building on the recent successful partnership working between the GLA and NHS at St Anne’s Hospital in Haringey and a number of other current projects.
- 3.8 Acknowledging the Mayor’s six key assurances for Strategic Transformation Partnerships (STP’s) (see **Appendix 2**) joint working is taking place in respect of a number of key programmes including One Public Estate and Homes for NHS Staff and on a number of major site opportunities where surplus land has been identified.
- 3.9 The LEB, sub-regional and local estates boards are supported by a London Estates Delivery Unit (LEDU), a small core and virtual team bringing together regional and regionally-based national expertise to support the collaborative development of robust estates strategies and capital business cases. It is intended that the LEB will be the London regional expression of estates governance and that relevant strategic delivery expertise will be accessed through the LEDU.
- 3.10 The LEDU supports the LEB to deliver greater value including economic and wider social value for Londoners, the health and care system and central government by:
- Developing the first holistic estates strategy that supports clinical strategies within London;
 - Faster and greater disposals of surplus NHS land, the release of capital for health and care and the efficient procurement of development partners for new uses, especially affordable housing;
 - Access to development and delivery opportunities including innovative financing mechanisms.;
 - Marriage value by realising the opportunities of NHS and adjacent surplus site(s); and
 - Decisions involving London’s NHS estates being taken within London.
- 3.11 At the time the MoU was entered into it was agreed that the LEB would be hosted by the GLA as a city-wide resource and to leverage the planning and development expertise of the GLA.

3.12 As host it was agreed that the GLA will provide facilities and premises for the meetings and any staff who work for the LEB and the LEDU. The host is responsible for recruitment of staff and for hosting any seconded staff.

4. Issues for Consideration

4.1 The proposals set out in this paper increase the establishment of the Housing & Land Directorate by 5 posts. The detailed changes and requirements of each post are set out below.

Job Title (Grade)	Description of Responsibilities
1 x LEDU Programme Director (G15) (Temp to perm)	To provide leadership and support to delivering the transformation of the health and social care estate in London and lead the new London Estates Delivery Unit (LEDU) to deliver a London-wide capital and estates strategy for London, built up from local and sub-regional plans. This will include a portfolio of health and care, and wider mixed-use development projects, surplus estates disposals and supporting the maintenance and development of excellent health and care facilities across London.
1 x Data & Analytics Manager, LEDU (G10) (Temp to perm)	To manage the London (health) estates property database and provide specialist data services (including analytics, geographical mapping, electronic feeds, utilisation, booking and backlog maintenance functionality) to partners including the London Estates Board, to aid decision making.
1 x Head of Strategic Finance and Delivery, LEDU (G13 TBC) (New post)	Provision of strategic finance advice, evaluating capital bids, establishing value for money, building the capital pipeline and general financial planning advice. The post holder will also explore, test and develop proposals for alternative funding and delivery models.
2 x Strategic Estates Advisors, LEDU (G11 TBC) (New post)	The post holder will have a key operational interface with STPs, CCGs and NHS Trusts on estate matters. Identifying project delivery and funding options as well as assisting with the appraisal of project proposals and providing advice & technical support on major site disposals and developments.
1 x Business Manager, LEDU (G8 TBC) (New post)	Provision of operational management support to the London Estates Delivery unit to ensure the business is managed in an effective, efficient and compliant manner.
1 x Programme Manager, LEDU (G8 TBC) (New post)	To develop and be responsible for project and financial schedules to aid in the management of the capital pipeline of c. 500 individual projects including regular reporting, risks, dashboards and London Estate Board papers

4.2 They key priority work areas for the LEDU are:

- (a) Launch of the first London Health and Care Estates Strategy – the draft document was shared with 200 + partners/stakeholders in the Autumn and has been revised to incorporate the feedback received. The document is currently being aligned with the NHS Long Term Plan and will then be updated to reflect the London Vision. London sub-regional estate strategies have been branded as ‘strong’ or ‘good’ so there is a solid foundation for the pan-London strategy.
- (b) Building and implementing the London capital pipeline – oversee the planning, management and implementation of a phased, prioritised capital pipeline for London. Circa 500 projects over ten years requiring £8b investment alongside a £2b disposal opportunity and land released for 12,500 new homes. Cloud-based Programme Management System to be implemented to enable robust management, monitoring and risk profiling of the pipeline, will be centrally managed by the LEDU with licences for the STPs and CCGs to enable system wide ‘ownership’ and use of data for strategic planning purposes.
- (c) Building the London surplus land pipeline – alongside the investment pipeline a surplus land pipeline is being developed for London. This will be phased and prioritised and interdependencies with investment requirements will be identified.
- (d) Alternative funding and delivery routes – recognising the need to explore alternative routes to capital and project delivery is a priority workstream for the LEB and the LEDU. Successful example on the St Ann’s Hospital site in Hackney where the GLA purchased the vacant land from the Trust and released capital for the Trust to reinvest in the transformation of the hospital alongside the delivery of up to 800 new homes, 50% of which will be affordable. Other similar examples are being explored with the GLA but also with the NHS Charities in London, Local Authorities, LIFT Co’s etc.
- (e) Homes for NHS staff pilot - focus on early win exemplar sites that can be brought forward to deliver new affordable homes for health and care staff. The pilot is being administered through the LEDU in partnership with One Public Estate (OPE), the GLA, the Cabinet Office and Department of Health and Social Care (DHSC). The output in the spring will be a toolkit for NHS organisations to use when considering the need for staff accommodation. The LEDU and GLA SPP team have contributed to the national guidance being produced for Trust’s by DHSC and NHS Improvement.
- (f) Better utilisation of the existing estate - a protocol and toolkit is currently under development working with the two NHS property companies.
- (g) Progression through the devolution gateways – the LEB is currently working with partners and stakeholders on a proposal to move to phase 3 of devolution, shadow decision making, from April 2019 with full decision making the following year. This will result in greater powers being devolved to London to oversee the development of business cases and demonstrating value for money, assurance and approval of business cases and the allocation of a devolved capital budget for London, subject to delegated financial limits.
- (h) Communication and Engagement – the LEB and LEDU supported by Healthy London Partnerships (HLP) has dedicated comms and engagement support. The work of the LEDU is showcased on the HLP website www.healthy london.org/estates where we have also published FAQs on the London estates devolution arrangements and wider workstream.

- (i) Building a team - the LEDU core and virtual team (subject to agreement of this proposal) comprises of circa 25 people. The proposal is for the LEDU core team to be based at Union Street, aligned to the Strategic Projects and Property team, with members of the virtual team hot desking on a regular basis to ensure strong working relationships are established and that the LEDU develops a fully integrated approach to project delivery.

5. Consultation

- 5.1 In accordance with the GLA Staffing Protocol, formal consultation with the Chief of Staff (on behalf of the Mayor) and the Assembly's staffing committee (on behalf of the Assembly) is required for this proposal as five or more posts are affected. The Assembly has delegated its powers of consultation on staffing matters to the GLA Oversight Committee.
- 5.2 This paper seeks to consult the Assembly (via the Assembly's staffing committee, the GLA Oversight Committee). The Chief Officer will take their views into consideration when making her decision.

6. Legal Implications

- 6.1 Under the Greater London Authority Act 1999 (as amended), the Head of Paid Service may, after consulting with the Mayor and the Assembly and having regard to the resources available and priorities of the Authority:
 - (a) Appoint such staff as she considers necessary for proper discharge of the Authority's functions (section 67(2)); and
 - (b) Make such appointments on such terms and conditions as the Head of Paid Service thinks fit (section 70(2)).
- 6.2 The Assembly has delegated its powers of consultation on staffing matters to the Assembly's staffing committee, currently the GLA Oversight Committee.
- 6.3 After consultation with the Mayor and the Assembly, the Authority's Head of Paid Service – Staffing Protocol (the "Staffing Protocol"), was adopted by the Head of Paid Service in November 2009 and revised in July 2018. The Staffing Protocol sets out the Authority's agreed approach as to how the Head of Paid Service will discharge her staffing powers contained in sections 67(2) and 70(2) of the GLA Act 1999 (as amended). Paragraph 5.1 of the Staffing Protocol says that, "*The Head of Paid Service will consult the Chief of Staff, on behalf of the Mayor, and the Assembly's staffing committee, on behalf of the Assembly, on any 'major restructure;' namely the creation or deletion of five or more posts within any one unit.*" As set out above, the Assembly's staffing committee is currently the GLA Oversight Committee.
- 6.4 The proposals set out in this paper fall within the definition of a "major restructure" contained within the Staffing Protocol so require formal consultation with the Chief of Staff (on behalf of the Mayor) and the Assembly's staffing committee (on behalf of the Assembly). This paper seeks to consult the Assembly (via the Assembly's staffing committee, the GLA Oversight Committee) in line with the requirements set out in the Staffing Protocol.

6.5 The GLA should ensure that its Recruitment and Selection Policy and Equal Opportunities Policy are followed when recruiting to the vacant posts.

7. Financial Comments

7.1 The total LEDU costs for 19/20 are estimated at £800k. It is proposed that 50% of this is funded from the GLA's Housing and Land budget. It is proposed that this is in addition to the £200k contribution to health and care devolution in the Health team budget.

Grade	Job Title	£ 19/20	£ 20/21	£ 21/22	Total £
G15	Programme Director	146,000	148,000	153,000	447,000
G13*	Head of Strategic Finance and Delivery	103,000	105,060	107,161	315,221
G11* x2	Strategic Estates Advisors	150,000	153,000	156,060	459,060
G10	Data and Analytics Manager	71,000	72,420	73,868	217,288
G8*	Programme Manager	58,000	59,160	60,343	177,503
G8*	Business Manager	58,000	59,160	60,343	177,503
	Vacancy factor	-34,000	-35,000	-36,000	-105,000
	Independent LEB Co-Chair	50,000	50,000	50,000	150,000
	Non-pay costs including accommodation and consultant support	198,000	188,200	175,225	561,425
		800,000	800,000	800,000	2,400,000
*grade subject to HR evaluation					

7.2 The proposed funding source for Housing and Land for the LEDU is the GLA's dedicated Land Fund which includes £486m of new funding from the Ministry of Housing Communities and Local Government to support the unlocking or acquisition of sites for housing, and includes an allowance of 2% (£9.72m) of revenue support from which the GLA's costs of LEDU will be met. The GLA has agreed with wider London devolution partners a funding settlement of £400k per annum for a three-year period. The partners referenced in section 1.3 of this paper will match this funding to cover the total annual cost of the LEDU (£800k).

7.3 Over this period the LEDU will proactively work with partner organisations to try and recover the cost of resource provided on major schemes from project development costs. Other income generation initiatives will also be explored.

7.4 In addition to the LEDU core team a virtual team, comprising of estates and finance professionals employed by DHSC, NHS England and NHS Improvement, has been formed. The cost of resourcing the virtual team is being met by the respective partner organisations over and above the £400k match funding.

List of Appendices to this report:

Appendix 1- LEDU Proposed Structure 2019/20

Appendix 2- The Mayors Six Assurances for Strategic Transformation Partnerships (STP's)

Local Government (Access to Information) Act 1985
List of Background Papers: None
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