



North Central London
Integrated Care Board

Estates Governance Handbook

July 2023


Introduction

This paper sets out the approval processes for Estates schemes.

This document must be read in conjunction with NCL ICB's:

- Scheme of Reservation and Delegation;
- Standing Financial Instructions ('SFI');
- Clinical Procurement policy; and,
- Commissioning and contracting handbook.

Document Key
This document uses the three colours shown here to indicate the type of step being described and is used to aide identification.



Process Step

Engagement & Review or Oversight

Decision Point

Abbreviations Used

CDEL – Capital Departmental Expenditure Limit
CEO – Chief Executive Officer
CFO – Chief Finance Officer

DOE – Director of Estates
DPIA – Data Protection Impact Assessment
DV – District Valuer

EOG – Estates Oversight Group (in Camden this is undertaken by the PC Oversight Group)
EQIA – Equality Impact Assessment

GP – General Practice

HMT – HM Treasury

LCIDB – Local Care Infrastructure Delivery Board
LEF – Local Estates Forum

NCL – North Central London
NHSE – NHS England

PC – Primary Care
PCC – Primary Care Committee
PCN - Primary Care Network(s)
PID – Project/Programme Initiation Document
PMO – Programme Management Office

QIA – Quality Impact Assessment

SDC – Strategy & Development Committee
SFI – Standing Financial Instructions
SRO – Senior Responsible Owner

VCS – Voluntary & Charitable Sector
VFM – Value for money

Local Care Estates schemes - background



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Much of the Local Care Estate (covering both Primary Care 'PC' and Integrated Care) is leasehold, with shell buildings often provided by Councils or third-party developers. Local Care Estates schemes provide capital funding for fitting-out premises, often in order to reduce the rent increase Practices must pay, thereby resulting in net savings to the ICB revenue budget for reimbursable premises costs.

In capital terms, Local Care Estates schemes are small but can be complex. This document maps the governance route for the following types of Local Care Estates schemes:

1. 'Borough-based' Primary Care schemes;
2. NCL-wide Primary Care programmes;
3. Integrated Health schemes.

This document also maps the ICB's governance route for Trust Strategic schemes.

Local Care Estates schemes - categorisation



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1. 'Borough-based' Primary Care schemes

'Borough-based' Primary Care schemes are individual-site capital projects to deliver new or re-furbished premises to accommodate Primary Care service delivery. For the most part, this is to provide General Practice ('GP') services. These schemes focus on and benefit the borough in which they are situated.

2. NCL-wide Primary Care programmes

Primary Care programmes are multi-site capital projects to deliver re-furbished, extended, or reconfigured premises to accommodate Primary Care service delivery. These programmes identify themed needs across all NCL boroughs, and deliver solutions in a coordinated manner. Essentially, they are similar to 'Borough-based' Primary Care schemes, but scaled up across NCL.

NCL-wide Primary Care programmes include London Improvement Grants, records room conversions, and sustainability and small works programmes.

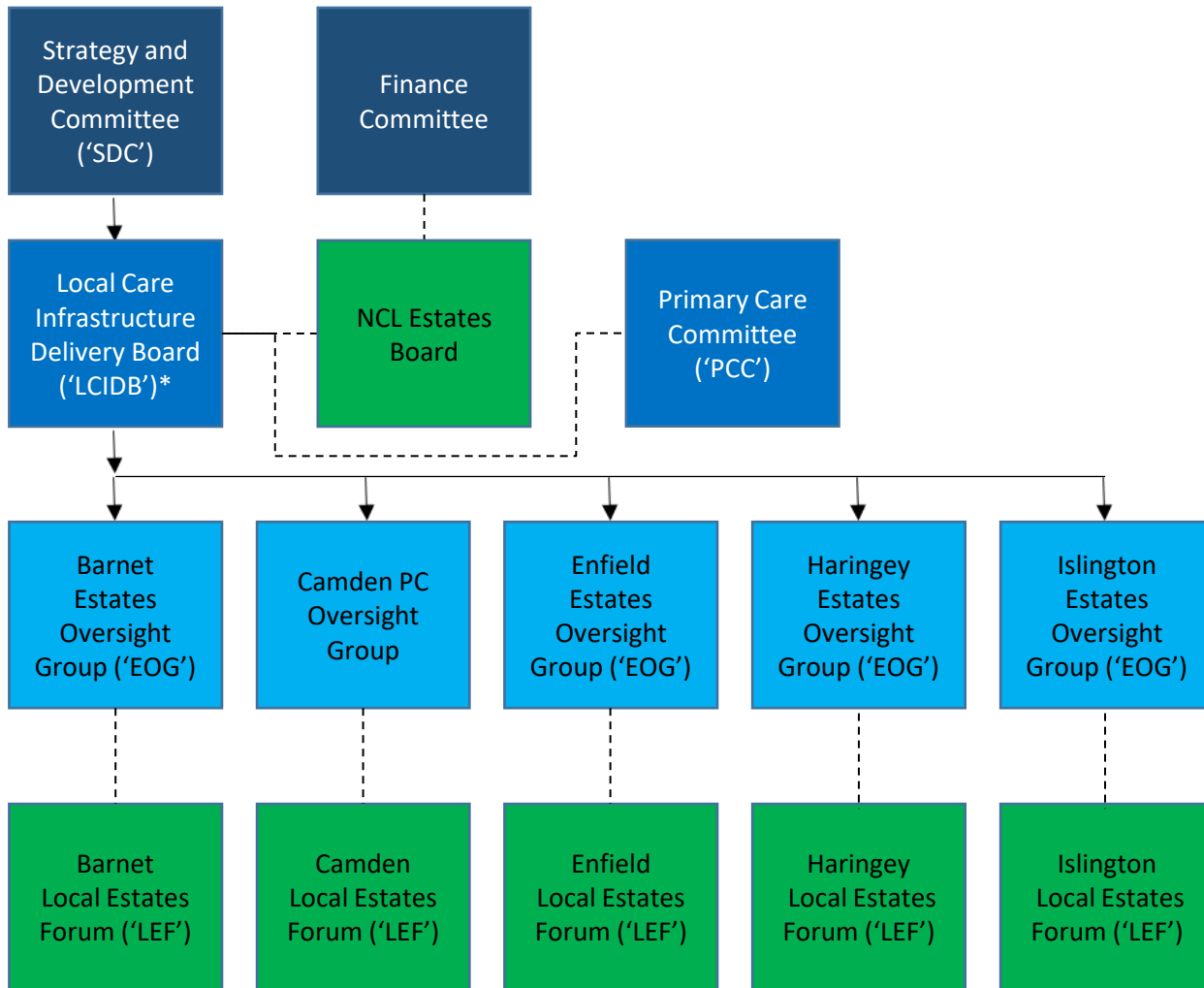
3. Integrated Health schemes

Integrated Health schemes are capital projects that include a mixture of 'Borough-based' Primary Care schemes and Trust Strategic schemes.

4. Trust Strategic schemes

These are Secondary or Tertiary Care capital projects focussed on strategic and transformation themes (as opposed to Maintenance and 'Business as Usual'), identified and delivered by Trusts within their remit.

ICB Estates Governance structure



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ICB internal approval routes

This section sets out approval routes for:

1. 'Borough-based' PC schemes;
2. NCL-wide PC programmes;
3. Integrated Health schemes.

PC scheme and NCL-wide PC programme (1/2) - initiation

This slide sets out the steps involved in preparing to seek an approval decision. Evidence of completion of these stages will normally be a pre-requisite for approval to be granted.



Opportunities to develop the Local Care Estates often are identified through engagement with System Partners, represented at the NCL Estates Board, LEF, or other Borough Partnership governance structures. The Estates Leads and Estate team will engage with the following people and may need to seek feedback from others:

- Providers
- Local Authorities
- Primary Care Networks ('PCN') and GP Federations
- Healthwatch or other similar Bodies
- NHS Property companies
- Directorate Management Teams
- Comms & Engagement Team
- Governance & Risk Team
- Inequalities Team
- Finance Team
- System Efficiency Team
- Procurement/Contracts Team

The appropriate Borough(s) Director of Integration and EOG determine whether it is a PC scheme or NCL-wide PC programme. For 'Borough-based' PC schemes the Borough Estates Lead will draft a Project Initiation Document ('PID'), and for NCL-wide programmes the Central Estates Team will draft a PID to seek approval to invest more time and effort into the following stages.

The following should be included within the PID:

- Overview of the problem to be solved (ie Needs Analysis)
- The possible approaches that will be taken to address the problem
- Any risks or inequalities that need to be addressed in the work up
- The potential financial impact including scale of potential efficiencies and how these will be realised
- Timeline and Key Milestones.

The next stage is to identify the key people who will be involved in supporting the PC scheme or NCL-wide PC programme and could include:

- Commissioner
- Clinical Lead
- Finance
- Quality
- Engagement/Comms
- Contracts
- Business Intelligence
- Procurement (if required)
- HR (if required)
- Comms & Engagement Team
- In the case of an NCL-wide programme, a Programme Management Office ('PMO') will be required.

An Executive Director Sponsor should be identified (if necessary).

PID review by Director of Integration/EOG

The PID is to be developed in conjunction with, and scrutinised by, the appropriate Borough(s) Director of Integration and EOG. The final PID pack could include the following example documents:

- Cover Paper
- PID (including identified funding sources and revenue impacts)
- Procurement Summary
- Options Paper/Initial Draft
- **For the following See Note 3**
 - Quality Impact Assessment ('QIA')
 - Equality Impact Assessment ('EQIA')
 - Data Protection Impact Assessment ('DPIA')
 - Consultation/Engagement Plan

NOTE: Many later problems with gaining agreement can be avoided by engaging with finance and/or procurement staff early on.

The agreement to proceed with any further work should be given by the appropriate Director(s) of Integration, Director of Estates, or Estates Senior Responsible Owner ('SRO') as appropriate.

Send Documentation Pack for Signoff

Note 1

This process may need to be flexed for urgent actions as well as for any programmes where there is guidance suggesting alternative routes for work up.

Note 2

Conflicts of Interest ('CoI') need to be managed effectively and robustly throughout any decision making process. For further support contact the Governance and Risk team.

Note 3

For QIA, EQIA, DPIA and Consultation/Engagement Plans refer to the appropriate approval processes within the commissioning and contracting handbook.

PC scheme and NCL-wide PC programme (2/2) - approval

This slide deals with the final approval for a Business Case for 'Borough-based' PC schemes and NCL-wide PC programmes



The finalised PID is presented at LCIDB*.

Due to the complex nature of Local Care Estates scheme funding (including ICB Capital Allowance, s106/ Community Infrastructure Levy, and Property developer and Council co-funding) the LCIDB prioritises schemes on the basis of PIDs' compliance with evaluation criteria, and allocates funding by year.

If prioritised by the LCIDB, the Borough Estates Lead (for 'Borough-based' PC schemes) or the Central Estates Team (for NCL-wide PC programmes) will finalise a business case detailing:

- Design
- Costs and affordability
- Commercial arrangements for construction and operation
- Value for Money ('VFM') analysis including District Valuer ('DV') report on rent, and commercial arrangements
- Delivery team
- Timeline and Key Milestones.

Before being sent to LCIDB for approval, the business case will be scrutinised by, and developed in conjunction with, the appropriate Borough(s) Director of Integration and EOG.

The business case is sent to the PCC for noting or approval, as it is the ICB's sub-committee with decision making powers in relation to:

- Application of the Premises Cost Directions in the planning, approval and funding of primary care estate;
- Approval of the elements of ICB estates schemes that pertain to primary care rent, rates or patient access.

Local Care Estates schemes provide capital funding for fitting-out, often in order to reduce the rent increase Practices must pay, thereby resulting in net savings to the ICB revenue budget for reimbursable premises costs. This requires PCC approval before proceeding to delivery.

Business case is approved by the LCIDB* and the scheme or programme may proceed, subject to PCC noting or approval (where necessary).

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Integrated Health scheme (1/2) - initiation

This slide sets out the steps involved in preparing to seek an approval decision. Evidence of completion of these stages will normally be a pre-requisite for approval to be granted.



Opportunities to develop Integrated Health schemes are often identified by Providers within the ICS through engagement with System Partners, represented at the NCL Estates Board, LEF, or other Borough Partnership governance structures. The following people are often engaged with, as well as seeking feedback from others:

- Providers
- Local Authorities
- PCNs and GP Federations
- Healthwatch or other similar Bodies
- NHS Property companies
- Directorate Management Teams
- Comms & Engagement Team
- Governance & Risk Team
- Inequalities Team
- Finance Team
- System Efficiency Team
- Procurement/Contracts Team

Providers will engage with the appropriate Borough(s) Director of Integration and EOG determine whether an Integrated Health scheme is feasible. The Provider will form a Programme Team to develop a PID, and PC input will be obtained from the ICB PC 'workstream' team.

The following should be included within the PID:

- Overview of the problem to be solved (ie Needs Analysis)
- The possible approaches that will be taken to address the problem
- Any risks or inequalities that need to be addressed in the work up
- The potential financial impact including scale of potential efficiencies and how these will be realised
- Timeline and Key Milestones.

Form PC workstream Team

The next stage is to identify the key people who will be involved in supporting the PC element of the scheme and could include:

- Commissioner
- Clinical Lead
- Finance
- Quality
- Engagement/Comms
- Contracts
- Business Intelligence
- Procurement (if required)
- HR (if required)
- Comms & Engagement Team

- The PC workstream team will sit underneath the Provider-led Programme Team

An Executive Director Sponsor should be identified (if necessary).

PID review by Director of Integration/EOG

The PC element of the PID is to be developed in conjunction with, and scrutinised by, the appropriate Borough(s) Director of Integration and EOG. The Provider-led Programme team will complete the final PID and will engage with the necessary teams within the Provider Trust.

The agreement to proceed with any further work should be given by the appropriate Director(s) of Integration, Director of Estates, or Estates SRO as appropriate.

Send Documentation Pack for Signoff

Note 1

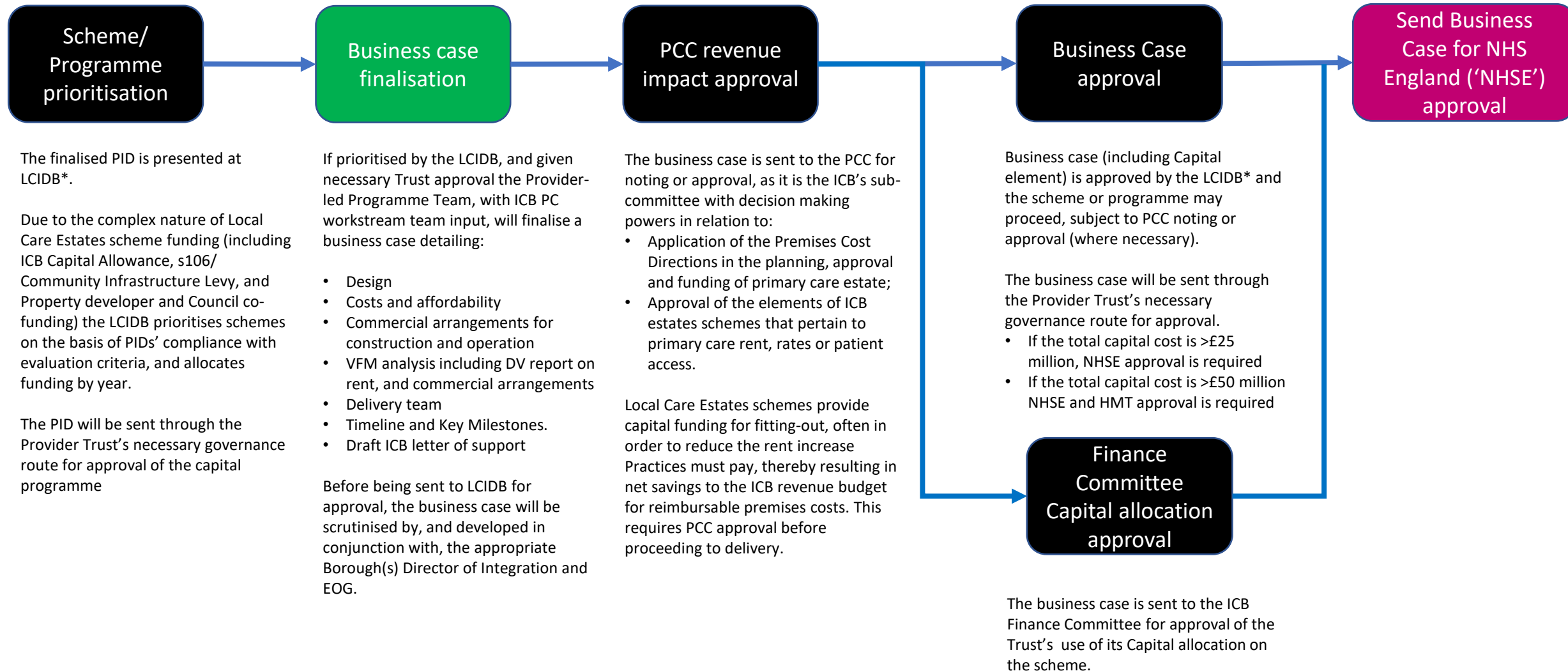
This process may need to be flexed for urgent actions as well as for any programmes where there is guidance suggesting alternative routes for work up.

Note 2

Conflicts of Interest ('CoI') need to be managed effectively and robustly throughout any decision making process. For further support contact the Governance and Risk team.

Integrated Health scheme (2/2) - approval

This slide deals with the final approval for an Integrated Health scheme



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NHSE final approval and delivery

This section sets out the NHSE approval element to Local Care Estates schemes, as well as the ICB's role in delivery and monitoring.

NHSE approval of Local Care Estates schemes

This slide deals with NHSE approval required to facilitate the transfer of ICB capital allocation into a GP revenue grant. This step is necessary upon ICB approval of 'Borough-based' Primary Care schemes, NCL-wide PC programmes, and Integrated Health schemes.

Under legislation the ICB is not able to make grants to GP practices or enter capital contracts. In addition, under NHSE policy ICBs cannot hold leases on GP premises. The only route to fund Local Care Estates schemes is to ask NHSE to facilitate the transfer of ICB capital allocation (known as Capital Departmental Expenditure Limit ('CDEL')) into a GP revenue grant. Sufficient time must be given to complete this additional NHSE step, outside of the ICB's internal governance.



The Local Care Estates scheme business case, approved by the ICB (and the relevant Trust for Integrated Health schemes) is presented to NHSE National 'Capital business case approvals meeting' for approval.

NHSE, the ICB, and GP Practice negotiate the required Grant Agreement. The agreement must include:

- S.52 clause to allow the ICB to administer payments to contractors on behalf of the GP Practice
- Final DV report
- Works Contract
- Agreement for Lease/Lease (negotiated by the GP practice and the Landlord)
- Licence to alter
- Licence to access
- VFM report

NHSE collates above schedules to the Grant Agreement.

Each party is required to engage independent legal advisors to support through to completion.

The Grant Agreement must be signed by each GP Partner, NHSE, and either the ICB's Chief Executive Officer ('CEO') and/or Chief Finance Officer ('CFO') subject to SFI limits.

The ICB will invoice NHSE for the Grant Funds, and NHSE will pay the ICB..

Due to NHSE policy, the ICB holds the funds on behalf of the GP Practice.

ICB role in Local Care Estates scheme delivery – 1/2

This slide deals with ICB monitoring and delivery of ‘Borough-based’ Primary Care Schemes, NCL-wide PC Programmes, and Integrated Health schemes.

The Delivery of Local Care Estates schemes is dependent on a series of contractual relationships, and informal support arrangements.

- The **‘Grant Agreement’** exists between NHSE, the ICB, and the GP practice (or other provider). It converts ICB Capital allocation into a GP revenue grant to fund the Local Care Estate scheme.

The ICB holds the money on behalf of the GP practice and only releases funds upon request from the GP practice supported by a certificate from the project/programme advisory team that works to that value have been completed (see below for detail of the project/programme advisory team) or upon key milestone dates. Section 52 of the Grant Agreement governs this process.

- The **‘Works contract’** is the contract held by the appropriate NHS body (dependent on which scheme) and the builders. It governs the physical improvements to the property.
- The **‘Project/Programme Advisory Team contracts’** are a series of contracts between the appropriate NHS body (dependent on which scheme) and professionals making up a project/programme advisory team. This includes architects, engineers, costs advisors, and others, who support the delivery of the scheme by providing specialist services and advice.
- Due to the complex nature of Local Care Estates schemes, the ICB provides informal, non-contractual, support to GP practices throughout the scoping and delivery processes. The nature of the support, and the ICB team providing it varies depending on the nature of the scheme.

GP Practices manage ‘Borough-based’ PC scheme delivery

The ICB provides support to the GP practice with regards to the project scoping and delivery.

The GP practice is the party to the ‘Works contract’ and the ‘Project advisory team contracts’. For details of the contracts, see left panel.

The ICB holds funds on behalf of the GP practice. The ICB releases funds due under the contracts upon application by the GP practice, supported by certification that works to that value have been completed, or upon key milestone dates.

ICB manages NCL-wide PC programme delivery

Either the GP practice is the party to the ‘Works contract’ for its part of the programme, or the ICB can elect to have a Local Investment Finance Trust company hold the ‘Works contract’ for the entire programme. Regardless of the above options, the ICB is the party to the ‘Programme advisory team contracts’. The ICB PMO oversees scheme delivery.

The ICB holds funds on behalf of the GP practices. The ICB releases funds due under the contracts upon application by the GP practice, supported by certification that works to that value have been completed or upon key milestone dates.

In the case of a London Improvement Grant, the GP practice is the party to both the ‘Works contract’ and the ‘Project advisory team contracts’. NHSE holds the funds and the GP practice applies directly to the NHSE team to release funds for 3rd party payments.

Trust manages Integrated Health delivery

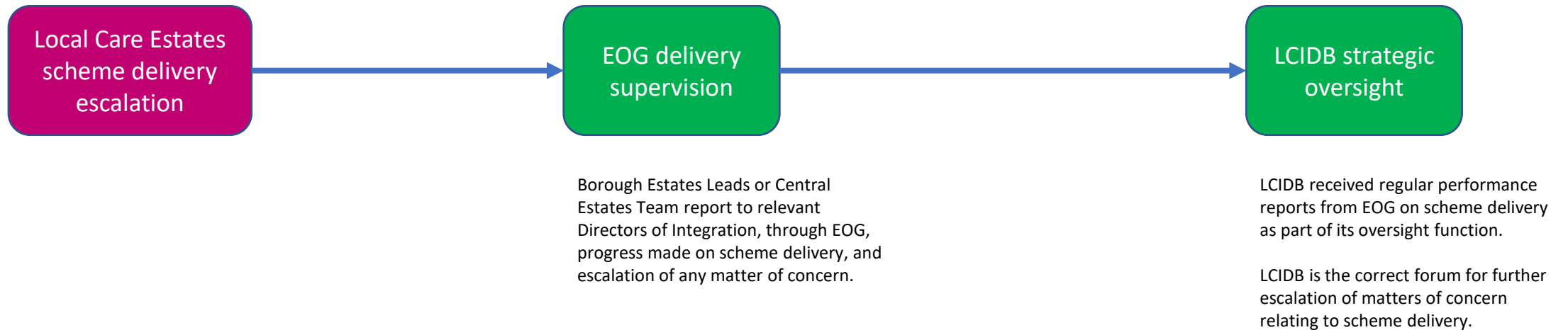
The Trust is the party to both the ‘Works contract’ and the ‘Project advisory team contracts’. The Trust will act as Landlord to the GP practices under these schemes.

The ICB Estates Finance team offers support for GP practices during scheme delivery.

The ICB holds funds on behalf of the GP practices. The ICB releases funds due to 3rd parties upon application by the GP practice, supported by certification that works to that value have been completed or upon key milestone dates. These include payments to the Trust to part-fund the scheme in order to reduce the annual rent of the new premises.

ICB role in Local Care Estates scheme delivery – 2/2

This slide deals with ICB monitoring and delivery of 'Borough-based' Primary Care Schemes, NCL-wide PC Programmes, and Integrated Health schemes.



Trust Strategic schemes

This section summarises the ICB approval route for Trust Strategic schemes.

Trust Strategic scheme summary

This slide summarises the governance route for a Trust Strategic scheme.

