



Strategic Estates Partnership

Frequently Asked Questions

Following an OJEU procurement process culminating in Trust Board approval on 1 August 2018, The Trust is appointing Health Innovation Partners as its Strategic Estates Partner (SEP). In addition to the partnership, we will also be forming a 50:50 joint venture company with Health Innovations Partners to support the development and delivery of the Trust's and Health Communities estate strategy.

Health Innovation Partners is a private sector organisation combining Arcadis (formally EC Harris), a well renowned provider of strategic and health planning and advice to the NHS, and Morgan Sindall Investment's (MSIL) health brand company; Community Solutions. Community Solutions have developed over £400m of community health buildings and schools and with MSIL are a leading property developer partnering with the NHS and Local Authorities.

Many Trusts are working more closely with the private sector to support the development of new buildings, particularly as capital is scarce. We also have a very exciting but ambitious strategy that we need support to deliver. By working in a partnership, the Trust can maintain control of the developments and costs whilst tapping into the additional expertise, capacity and funding that the partner brings. Every project or development that the partnership works on will be approved by the Trust Board before going ahead and will be tested for its financial viability, stakeholder support and fit with the Trust strategy.

As this is a relatively new approach for the NHS, we have put together the following Frequently Asked Questions (FAQ) to provide more information on the partnership and our plans.

Should anyone have any further questions or concerns then please do not hesitate to use the Trust's just ask facility.

FAQ

Q: What is OJEU?

A: The Official Journal of the European Union. It is a publication in which all tenders from the public sector (which are of a significant scope or valued above a certain financial threshold according to EU legislation) must be published. Organisations

such as Local Authorities, NHS Trusts, MOD, Central Government Departments and Educational Establishments are all covered by the legislation.

Q: What is a Strategic Estates Partnership (SEP)?

A: A SEP is a vehicle to help us to deliver the estates strategy. It is simply the building of a long term relationship with a partner organisation with estates and building experience, planning, innovation and resource to support and work with the Trust and partners on its estates development plans. There is no financial commitment from the Trust in the formation of the partnership so it is no different to any other partnership we have. We can choose if we want to work with our partner or not (i.e. it's a non-exclusive partnership) and either party can decide to end the partnership at any time with no consequences.

Q Why do we need a Strategic Estates Partner?

A: Capital finance to build new buildings is very limited. We are being encouraged to explore partnerships with the private sector to find different ways other than the traditional to fund what we need to do. A number of organisations already have SEP's in place so it is a tried and tested model. A SEP secures resources, expertise and innovation to get the best value solutions and can generate new potential income streams. It is the least risky and best value option for securing investment in building from the private sector and the Trust retains control of development. Building and working in partnership fits with our values and provides the flexibility we need.

Q: What is the joint venture company?

A: This will be a company set up with both the Trust and HIP as equal shareholders. It enables the Trust to have an equal say in any projects undertaken. The joint venture will have a Board where the Trust will have an equal number of members (Directors) as HIP and will be chaired by a Trust Non-Executive. The joint venture will be a non-asset holding company and will be in existence for an initial period of 15 years. The company can be dissolved at any time with mutual consent and with no liability to the Trust.

Q: Why can't the Trust appoint their own team to advise on development projects rather than partnering with a private sector company?

A: The reason for establishing a Strategic Estates Partnership is that the Trust does not have the necessary capacity or expertise to fully optimise the development of the whole estate. Significant capital redevelopments require a vast range of specialist experience. This specialist expertise will be required regardless, by working collaboratively and contracting what is required from specialist providers through and from our partner is a more efficient use of our scarce resources.

Q: What kind of work will the joint venture be doing?

A: The joint venture will support the delivery of the estates strategy to ensure that we have fit for purpose estate across our Hospital site as well as in the community. In addition to providing project management, procurement and contractor management for some of the schemes, it will also be looking at ways in which we can make best

use of our health buildings, exploring development opportunities and maximising any potential financial return for the Trust to re-invest in health and care services. The joint venture will also have access to a number of specialist technical services to help us enhance the efficiency of the estate for example energy consultants.

Q: When will the SEP start and what will be the first projects?

A: The partnership has already commenced. Over the next couple of months the Trust will be working with HIP to finalise and agree the legal documents to formally establish the Joint Venture company. It is planned that the Trust Board will approve and the company will be registered in October 2018. HIP will start work on the following priority projects:

1. Developing the proposals for Health & Wellbeing Centres in both Dartmouth and Teignmouth.
2. Supporting the development of the Business Cases for the urgent and emergency care improvements following the Department of Health's award of £13m

Q: What is the impact on staff?

A: The appointment of Health Innovation Partners will enhance our team, add to our skill sets and provide additional capacity that we do not have. We have no plans to reduce our staff or to transfer staff into the joint venture. There may be opportunities for our own staff to work directly with the joint venture and experience a different side of the development spectrum. This opportunity will be at the request of staff members, be part of their personal development and undertaken on a secondment basis. The joint venture team will be integrated into our own estates offices so that we can work in partnership and readily transfer experience and knowledge, both ways.

Q: How will we be involved in projects in our area?

A: All projects will follow the same collaborative and consultation process that we currently use for our projects, for example ICU and ED. As a 50:50 joint venture we will have senior representation on the joint venture Board and will therefore have oversight and scrutiny to ensure that relevant processes are being followed. As part of their bid submission, Health Innovation Partners presented a comprehensive stakeholder engagement process, which the Joint Venture will follow and that the Board will hold them accountable for.

Q: Is this a way of privatising the NHS Estate?

A: No estate will be transferred to the joint venture. We will retain ownership through either freehold or leasehold of all sites where we have the need to deliver clinical services. Where we no longer require buildings we will either dispose of them and use the proceeds to re-invest in community facilities across the area, or be offered the opportunity to co-invest in any development, i.e. housing, care homes or commercial/retail. The Trust Board will make a commercial decision on this at that time.

Q: Why does HIP want to Partner with us?

A: HIP will receive a 3 percent SEP margin for work undertaken. This cost is no

greater than the cost that the Trust would have to pay for expert advice and capacity from other companies.

HIP will be our preferred partner so they will secure more work whilst allowing them to fully understand how all our estates developments are linked and to develop proposals that will meet the Trust vision for a new model of Health and Care. This is a non-exclusive agreement and therefore incentivises HIP to deliver proposals that are innovative, affordable and high quality.

Q: Who is the point of contact and what do they know about the NHS or the area?

A: The role of the Joint venture Partnership Manager is being hosted by HIP but is a joint post. The Partnership (both the Trust and HIP) have agreed that Darrel Coltrini will undertake this role. Darrel is employed by Community Solutions, has lived in the area for 38 years and lives with his family in Kingsbridge. Darrel has worked in various NHS estate posts in Devon over the last 10 years and is known to many staff in the Trust and other local NHS providers. Torbay is his local Hospital and he has significant experience of its services. He will be the key link between the Trust and Health Innovation Partners, accountable to the joint venture Board. The Trust's Associate Director of Estate Development will work closely with the Partnership Manager on an operational level.