

VACANT SPACE HANDBACK SCHEME

A guide for commissioners

August 2017



The Vacant Space Handback Scheme allows commissioners to cut the cost of empty space in their buildings

The Vacant Space Handback Scheme allows commissioners to pass on the liability for eligible vacant space to NHS Property Services (NHSPS).

This scheme comes in response to feedback from commissioners who want to reduce the cost of maintaining space that they decide is no longer needed.

Although the costs of vacant space in the NHS are kept as low as possible, some costs are unavoidable because rent, business rates and some service charges remain payable. This scheme allows commissioners to pass the liability for empty space in their buildings to NHSPS, therefore avoiding some of these costs.

NHSPS will then use its property knowledge to put the space back into use as soon as possible, via:

- Re-letting
- Disposal
- Development

“This scheme is an important part of our ongoing efforts to help the NHS make the most of its estates, delivering greater value for money and freeing up extra funds for patient care.”

Health Minister, Lord O’Shaughnessy

How has the scheme been created?

The Vacant Space Handback Scheme has been developed with NHS England and the Department of Health.

Options for managing your space

In addition to the Vacant Space Handback Scheme, NHSPS offers a number of options for managing space. Commissioners can:

- Use flexible 'sessional space', available to book as and when required.
Visit: www.property.nhs.uk/sessional to find out more about the pilot scheme and book a space.
- Declare property surplus to requirements, for NHSPS to dispose. Where the property is freehold or long leasehold, this generates funds for reinvestment in the NHS.
Visit www.property.nhs.uk/disposals to find out more.
- Sign a lease giving security and clarity of occupation.
Visit: www.property.nhs.uk/what-we-do/leaseregularisation to find out more about our ongoing Lease Regularisation Programme.

"We know that commissioners don't want to be spending their money on empty space, and now we can help them avoid some of those costs.

We can then use our property knowledge to put the space back into use as soon as possible, maximising the value of the NHS estate."

John Westwood, Director of Asset Management, NHS Property Service

To take advantage of the scheme, commissioners must identify space that meets the eligibility criteria

Charging Policy

The eligibility criteria for the Vacant Space Handback Scheme is outlined in detail in the [Charging Policy 2017/18](#) which contains the full terms and conditions of the scheme.

Commissioners are encouraged to familiarise themselves with these detailed terms and conditions to understand more fully their rights and obligations under the scheme.

A summary of the eligibility criteria is included on the opposite page. For a full copy of the scheme's terms and conditions, please view the [Charging Policy 2017/18](#) available on our website: www.property.nhs.uk/charging-policy-2017-18

Realisation lists

The creation and maintenance of realisation lists is critical to the effective management of the scheme as well as to help actively anticipate and plan for vacant space in the future.

Realisation lists

Realisation lists are produced by commissioners with input provided by Strategic Estates Advisors. Each list categorises property as either:

1. Currently surplus - or likely to be surplus in the current financial year.
2. Short-term hold - likely to be surplus in the next financial year.
3. Medium-term hold - likely to be surplus in the financial year immediately following the Category 2 financial year.
4. Long-term hold - all relevant space that is not designated as Category 1, 2 or 3.

For space to qualify for the scheme, it must fall within either Category 1 (surplus in the current financial year) or Category 2 (likely to be surplus in the next financial year).

Who can apply?	Who cannot apply?
<ul style="list-style-type: none"> • All Clinical Commissioning Groups (CCGs) • NHS England • Commissioning Support Units (CSUs) 	<ul style="list-style-type: none"> • Other Arm's Length Bodies (ALBs) • Local authorities • Providers and GPs • Commercial tenants

Providers and GPs who are unable to apply directly should liaise with their commissioner.

How to apply

To qualify to take part in the scheme, commissioners should:

- Work with their Strategic Estates Advisor to create a realisation list.
- Review the eligibility criteria carefully before submitting an application form, called a Property Vacation Notice (PVN).

If you are unsure if your space qualifies for the scheme, please speak to the vacant space team by contacting vacantspace@property.nhs.uk.

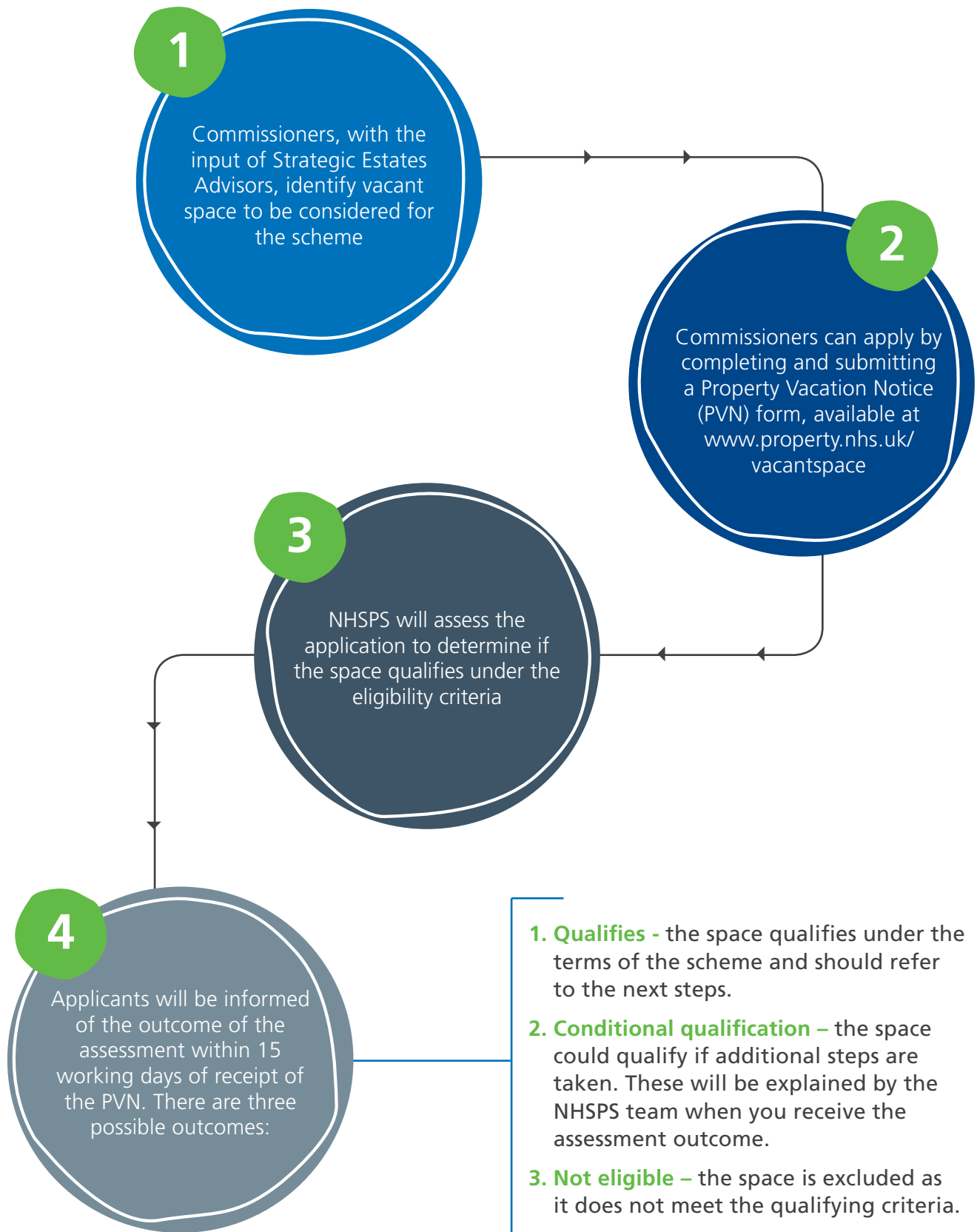
The creation and maintenance of realisation lists is critical to the effective management of the scheme

Eligibility

To qualify, vacant space must meet the following criteria:

1. A category 1 or 2 property on the commissioner's 'realisation list'.
2. Part of a property transferred to NHSPS on 1 April 2013 under the Health and Social Care Act 2012.
3. Property in which NHSPS has a legal interest.
4. Not a PFI or subject to an onerous lease.
5. Is deemed to be:
 - a. Marketable and lettable
 - b. Self-contained unit (above 100sqm for 2017/18 - 2018/19)
 - c. Declared surplus to requirements by commissioners
 - d. Vacant at the time of handback
 - e. Free of debt due from the commissioner

Application process



Next steps for qualifying space

When space qualifies for the scheme, the NHSPS team will guide customers through the process of how to officially hand back the space.

The actual handback will take place when qualification is confirmed and a vacating payment has been received.

Until this time, on-going accommodation costs remain the responsibility of the commissioner.

Vacating payment

A vacating payment will be charged to customers which covers liabilities for a fixed transition period following the space becoming surplus to requirements.

The vacating payment is dependent on tenure (freehold or leasehold) and takes in to account that the space is vacant.

The vacating payment is six months' accommodation costs for freehold/long leasehold or 12 months' accommodation costs for all other leasehold. There is a 50 per cent discount if the property has been vacant since 1 April 2016.

Costs relating to dilapidations and reinstatement are dealt with as stated in the Charging Policy 17/18.

Handback

Once the steps outlined above are achieved, NHSPS will take responsibility for the costs, risks and opportunities associated with the space.

Next steps for ineligible space

If your space does not meet the eligibility criteria for this scheme, we are happy to discuss with you options for managing your space more effectively. Please contact your strategic estates advisor.



**Property
Services**

**Contact our
Customer
Support
Centre**

customer.service@property.nhs.uk
0800 085 3015