A collage of various images related to NHS property services, including: a person in a grey hoodie, a large brick hospital building, a person in a blue apron pushing a trolley, a person in a white lab coat, a person in a wheelchair being assisted by a doctor, a person in a white lab coat, a person in a yellow high-visibility jacket, a person in a dark green shirt, a person in a white lab coat, a person in a red top, a person in a dark jacket, a person in a white lab coat, and a person in a green jacket.

# Commissioning and property occupation: How to get this right for the NHS

1st October 2020

# Speakers



**Ben Masterson,**  
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# Agenda



Property Services

- **Introduction** Ben Masterson
- **Property Commissioning Pack** Julie Whetton
- **Standard Document Set** Angus Graham
- **Sessional & Vacant Space** Stephanie Dedrie
- **Occupancy Change Notice** Julie Whetton
- **Q&A**



# Introduction

## Ben Masterson

# Introduction



Property Services

- Considering property utilisation / occupation prior to commissioning of services, should drive more effective and efficient overall use of the NHS estate, backed up by use of standard occupancy agreements
- Following on from the letter sent by the Department of Health and Social Care and NHS England & Improvement in February, all occupiers should now adopt a standardised occupancy agreement
- DHSC/NHSE/NHSI and NHSPS have worked to agree three occupancy agreements for occupiers from the NHS family: Memorandum of Terms of Occupation (MoTo), the Rental Agreement Letter (RAL) and Lease.
- NHSPS have completed initial work to agree the basis of ~95% of their occupancies and in agreement with NHSE, now need to build on this work to formally document the estate using the standard documents.
- Occupancy agreements offer occupiers clarity on services and billing, plus enable NHSPS to proactively manage the portfolio
- This webinar will delve into the new documents available, the Property Commissioning pack, initiatives on vacant and sessional space and our Occupancy Change Notice.



To: Regional Directors and Regional Finance Directors, NHS England and NHS Improvement; Accountable Officers of Clinical Commissioning Groups; NHS Trust and Foundation Trust Chief Executives and Directors of Finance.

**NHS England and NHS Improvement Publishing Approval Reference: 001431**

Dear Colleagues

**NHS Property Companies: occupancy agreements and payment of charges**

The purpose of this letter is to set out the expectations of NHS England and NHS Improvement and the Department of Health and Social Care (DHSC) in respect of occupancy and charges for properties owned by NHS Property Services (NHSPS) and Community Health Partnerships (CHP).

NHSPS will provide its customers with an Annual Charging Statement (ACS) each financial year. Occupants of NHSPS properties will be expected to (if they have not already done so), agree their ACS for 2019/20 with NHSPS by the 1st April 2020, and then sign one of the 2 standardised occupancy documents agreed by NHS England and NHS Improvement / and DHSC or a lease where appropriate. NHSPS will ensure that the charging Schedules are materially correct.

Occupants of CHP properties will be expected, (where they are not already in place) to enter into sub-leases as quickly as possible, in line with the contracts with the NHS LIFT Company landlords.

All undisputed amounts invoiced by the companies should be paid within the normal 30 days expected of government entities.

We would be very grateful if you would therefore share this information with the relevant people within your organisation to ensure these goals can be met.

## Background

The main aim of these NHS property companies, which are wholly owned subsidiaries and part of the DHSC group, is to provide an efficient and effective service to users of properties that transferred to those companies in April 2013.

Both companies have since worked with tenants to formalise occupancy and charging arrangements and collect payments that are owed. A recent Public Accounts Committee (PAC) examination of these issues at NHSPS highlighted significant challenges. We are therefore jointly writing to all NHS bodies to explain the principles and actions required to accelerate progress in these areas.



# Property Commissioning Pack



# Property Commissioning Pack

Giving consideration to the best buildings to be used prior to tendering, supports more cohesive service planning and ensures all relevant estate costs and obligations can be considered by bidders

Prepared in collaboration with NHSE/I, the Property Commissioning Pack supports the tendering process for the commissioning of healthcare services to mandated areas within NHSPS buildings.

The purpose of pack is to ensure that all parties are aligned from the outset in terms of property use, occupancy and costs - the pack will include:



NHSPS local  
PM contact  
details



Floor plans  
and  
measurements



Heads of  
Terms



Occupation  
charges



Building  
compliance  
status



Utility supplies  
and costs



Maintenance  
tasks and  
costs

As part of the bid, providers will complete a questionnaire to establish that they are in a position to enter into a standard occupancy agreement

# Property Commissioning Pack - example

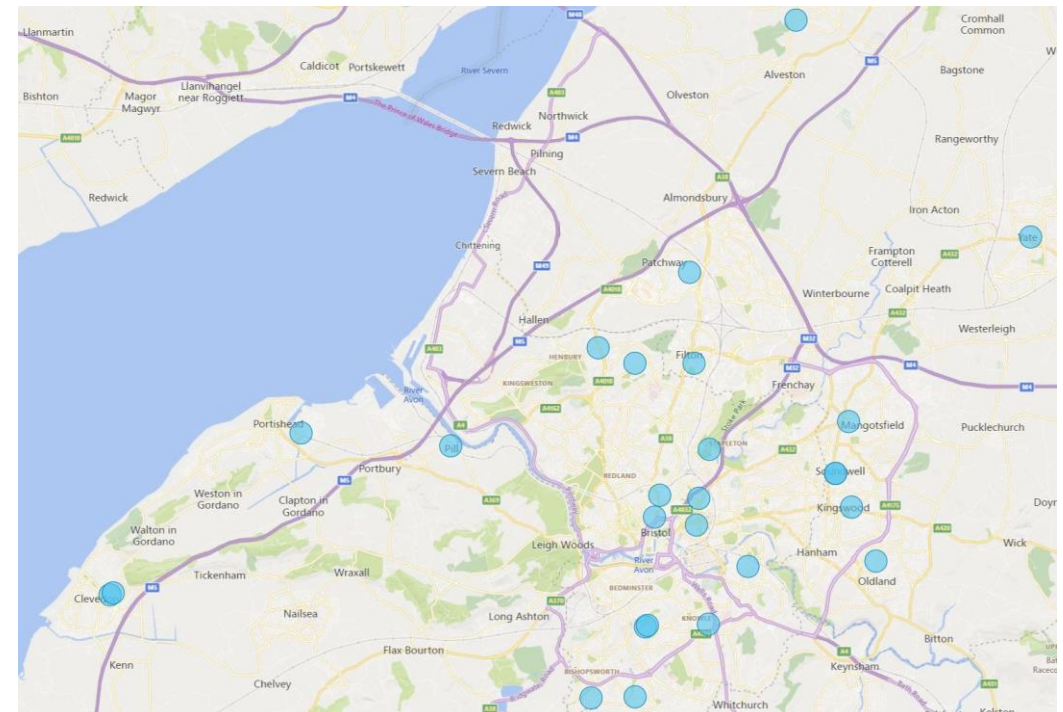


Cadbury Heath HC

The Marina HC

Downend Clinic

- NHSPS worked in collaboration with Bristol, North Somerset and South Gloucestershire CCG to support the tendering process for a wide range of adult and child healthcare services across the region.
- NHSPS produced fully informed 'Property Commissioning Packs' which were distributed by the CCG to all potential bidders.
- The Property Commissioning Packs were instrumental in providing the relevant data to all parties in a consistent and uniformed way.
- The service contract awarded required the provider to enter into a formal occupation arrangement, resulting in 29 leases and 16 RAL's being completed over 24 sites across the NHSPS portfolio.







# Property Occupation



# Standard documents

### ✓ Rental Agreement Letter (RAL)

New simplistic style agreed in collaboration with NHSE/I and DHSC for use with current NHS Family occupiers as an interim measure.

### ✓ Memorandum of Terms of Occupation (MoTo)

Agreed in collaboration with NHSE/I and DHSC for use by the NHS family, intended to regularise occupancies and new lettings.

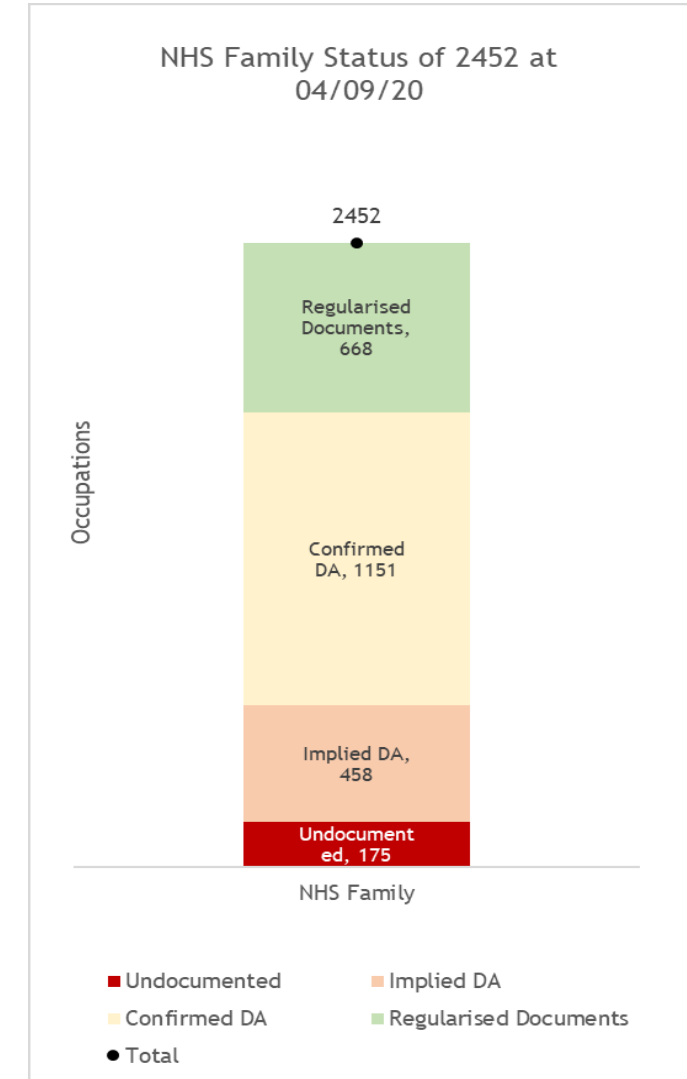
*Both RAL and MoTo in a prescribed form, pre-negotiated by NHSE/I's legal advisers to be suitable for signing by NHS Family with minimal further legal review.*

### ✓ Updated Full Repairing and Insurance (FRI) Lease

Agreed in collaboration with NHSE/I legal advisers, and ready for use where required.

### NHS Open Space

Offers flexible room booking, ultimately replacing sessional use.



# Benefits of occupancy agreements



Transparency  
on services



Clearer billing



Safety and  
compliance



Easier  
budgeting



Efficient use of  
funds



Improved  
relationships



# Vacant and Sessional Space



# Vacant and Sessional space

## Vacant Space

- Underused space, paid for by NHSE/I or CCG
- We want to agree areas and associated charges
- Significant to the NHS – over 212,000 sq m space/£69,000,000pa

## Sessional Space

- An area of space used by multiple occupiers that is charged to a CCG or NHSE/I
- We want to agree areas and associated charges
- Significant to the NHS – over 77,000 sq m space/£29,000,000pa

## NHS Open Space

- NHS Open Space to offer flexible room booking for sessions.
- A room that is only bookable through the NHS Open Space booking platform
- Significant potential to scale across the NHS estate

# Benefits to Commissioners



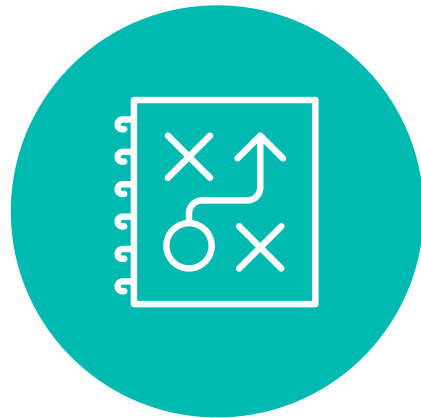
Effectiveness



Savings



Clarity



Planning

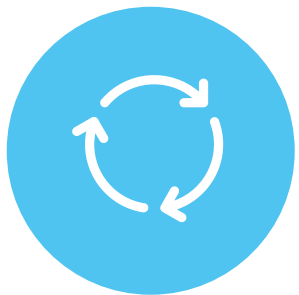




# Occupancy Change Notification

# Occupancy Change Notice

- Help us keep your property data correct by letting us know of any changes.
- We ask all occupiers inform us of any planned changes to the space they use, at least three months in advance, so we can continue to support you with your health and safety compliance responsibilities and make sure that you are billed the correct amount.



Change how you use your space, or swap your space



Reduce or expand the amount of space you occupy



Vacate your current space

Occupancy Change Notice

ABOUT YOUR ORGANISATION

Your organisation \*

Property name \*

What part of the building do you currently occupy? \*

Your Clinical Commissioning Group (CCG) \*

Please confirm the email address of your contact in the CCG. \*

Please tick box to confirm you have contacted the CCG on this matter. \*

From your billing please enter your lease ID, this will be an 8 digit number prefixed with a 3. \*

CHANGE REQUESTED

What is the change you would like to request? \*

NHSPS requires 3 months notice of change. Please enter the anticipated date of change. \*

REASON FOR CHANGE

Why are you making these changes? \*

Please include details of previous discussion held with any NHSPS representative as well as current areas occupied.





# Q&A

