



Property Services

Developing the NHS estate

A quick guide to the Development Management process



Introduction

Much of the NHS estate needs investment to remain safe and suitable for modern patient care. At NHS Property Services (NHSPS) we have an expert team of development managers who identify opportunities to reimagine sites, helping the NHS to get the most from its estate. They explore redevelopment opportunities of underused and inefficient sites across our estate, renewing them to enable excellent patient care and releasing surplus land for housing and reinvestment in the NHS.

NHSPS development managers:

- Own the end-to-end strategic planning, administration and controlling of a project, from project identification through to construction completion.
- Collaboratively manage professional teams, internal and external stakeholders (see diagram below) to minimize project and financial risk while optimising value.
- Take overall responsibility for project planning, site assembly, project management, securing legal agreements and statutory consents, technical approvals, financial management and project delivery through all development phases, until project exit.

Behind each property development project there is a process to ensure best value and management of risk. In this guide we will explore the main stages and milestones, and where we need support from our NHS colleagues, partners and occupiers to deliver new healthcare projects.

Development managers are involved throughout a project, taking ownership and managing inputs from procured external consultants, NHS and public sector partners and a range of NHSPS teams.





The Property Development process

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Kick starting the project

We start by establishing the context of the project, exploring the long-term healthcare requirements and vision with our NHS commissioning partners. For example, a growing local population could increase healthcare demand, meaning more capacity is needed. Working with our Portfolio Optimisation team, we agree the approach, timescales, work streams and teams involved, working together to develop the optimum estates solution and managing the work-up capital budget.

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Assessing feasibility

We then assess options to improve the clinical infrastructure, preparing a feasibility development plan for the site. This involves site visits and due diligence research to assess optimum solutions for the site and manage any restrictions, such as legal or planning constraints.

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Developing the options

These are tested for best strategic and economic fit and maximum patient impact. With our in-house Town Planning team, we appoint consultants to undertake surveys such as ecology and heritage, and we review the market to optimise the value of any surplus land to reinvest in patient care. We provide inputs for financial analysis by our Evaluation & Analytics team.

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Exploring funding sources

This could be through:

- Public capital such as existing NHS budgets
- The sale of surplus land
- Third-party capital such as local authority funding, Section 106 or Community Infrastructure Levy (CIL) funding
- Third-party developer capital

If using public capital, we assess the impact on the Capital Departmental Expenditure Limit (CDEL), a budget given to the NHS by the Treasury.



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Securing additional land

Redevelopments will often require the temporary relocation (or decanting) of services, either on site or nearby. We assess local spaces, ideally using underused space in our estate.

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Agreeing occupation

We cannot progress a redevelopment until we know and have agreed who will occupy it, so our next step is to establish occupancy agreements and service charge costs. We also work with existing occupiers to clear any historical debt, so we can start afresh with the new site.

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Confirming the healthcare requirement

Things can often change in the NHS, so we work with our local NHS partners to confirm which services would occupy the building before we move to detailed design phase. This confirmation is an underwrite of support and intention which minimises unnecessary costs and design changes further along the programme.

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Starting the design

We develop internal layouts for the health centre, confirming how much and what types of space are needed, and agree them with our proposed occupiers. We use sustainable and modern methods of construction in all projects, creating an efficient NHS estate.

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Building the business case

A NHS business case is required for any major new development within the NHS estate, setting out why it is needed and how it will be delivered, to get the necessary approvals (see more on this in 'Confirming approvals' below). We develop an options paper ranging from 'do nothing' to the full development, reviewing the case for change and establishing which option can best deliver improved healthcare and gives best value for money.

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Planning permission

Crucial to the delivery of all new premises, our Town Planning team support on outline, full or hybrid planning applications, community consultations, and accessing Section 106 or CIL funding via planning agreements.

Learn more about our town planning team: www.property.nhs.uk/townplanning

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Turning to the market

We start assessing procurement compliant solutions and market testing to understand which developers we might work with to deliver the project and ensure best value is achieved. Where surplus land is identified, we optimise the value of that land and recycle the value into the construction budget of the healthcare center.

Market testing helps inform our planning strategy. Once we get final approvals on the scheme, we can confirm how the project will be delivered with a procured developer partner (if required), for example who will have responsibility to build the healthcare part of the development, ensuring best value is achieved.



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Confirming approvals

At this stage we have agreement from our partners, stakeholders, and occupiers. A 'Commissioning Comfort Letter' is needed from the local Integrated Care System (ICS), supporting the development by committing to commission services and underwrite property costs on the newly developed site.

The ICS will need to complete and approve a Full Business Case, and – if the scheme involves selling any land – they must declare the land surplus to operational requirements using the Property Vacation Notice process. NHSPS has their own Internal Approval Process (or IAP) to secure sign off and ensure best value is secured for the system.

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Construction begins

Once we have all the final approvals, we can start work on site! We hand over the project to the Construction Team to manage the procurement and performance of a development partner or a construction contractor to deliver the scheme, ensuring its kept to schedule and budget and regularly updating local stakeholders.

[Learn more with our Standard Specification and Design Requirements document.](#)



Working together to deliver development projects

Collaboration is key to the success of all development projects, with those who commission, manage and occupy the space working together to transform the NHS estate. A successful development project relies on the input and agreement from these groups, for example by confirming healthcare requirements, listening to the wider community, and getting the right permissions in place.

We're keen to work with our NHS partners and wider patient and community groups, so please get in touch if you'd like to learn more.



Learn more about NHS property development

If you would like to learn more about the NHSPS Property Development team and how they can help you, please **visit** www.property.nhs.uk/propertydevelopment

or get in touch with our Customer Support team:
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