

Fourteen Questions to ask on the Naylor Review 2017.

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A broad response to this review should have an approach based on the following.

- A. **The rushed sale of valuable NHS estate land and buildings.** The NHS estate has taken generations to assemble, through purchases by public money and through centuries of charitable donations and legacies of money, land and buildings by public spirited persons. Before any sale of this precious NHS estate, the land that is likely to be required for the future development of the NHS, on a reasonable forward plan of at least 15 years, must be identified and safeguarded, to meet foreseeable patient needs, as part of a long-needed NHS estates strategy which should be open to public consultation and be agreed by Parliament. The NHS should not breach the trust placed in it by previous generations of donors and taxpayers.

- B. **The offer of extra money to health authorities who sell quickly** is a wholly inappropriate and wasteful incentive. It subverts their fiduciary duty of care to ensure that any sale, without undue haste, is able to achieve the full value of the land. NHS managers must not be placed under pressure to sell at an undervalue, causing financial loss to the public, merely to meet the unrealistic funding targets (ie cuts) of their current spending cycle. If this extra 'incentive' money is available, then it should now be added, unconditionally, to the budgets of the NHS authorities.

- C. **NHS land was provided historically as a long-term capital investment.** It should not be disinvested by frittering away sales receipts as short-term revenue payments to the detriment of future generations. Instead, such moneys should be safeguarded as capital investment to be used first, to purchase any other land and buildings needed for patient care and second, to fund other capital projects, including primary care facilities, for the NHS. Such projects should include the provision of affordable rented accommodation for NHS staff in all areas where a shortage or adverse pricing of housing makes the recruitment and retention of NHS staff difficult.

Because of a lack of financial provision to the NHS, a need has been created: STPs must rapidly sell 'surplus' assets in order to continue the process of the transformation of health services and so attempt to meet stringent financial requirements.

These assets belong to the people and their exploitation should be in our best interest. There is no long-term NHS Estates Strategy, rather a benchmarking exercise has been carried out by Deloitte to enable a powerful NHS Property Board to ensure rapid disposal. Rapid sales may be to the longer-term detriment of the public purse and, indeed, benefit private investors.

Question 1: Rather than allowing the rapid sale of lands and buildings to private developers and investors, would it not be in our best interest to develop a longer-term NHS Estates Strategy, retain the buildings and land and exploit them for the benefit of Health and Social Care in our area?

The Review believes that current low rates of return and the low risk profile of NHS investments means that there is likely to be no shortage of private capital finance available to the NHS. Government should borrow now for transformation and exploit our assets to the full in the longer-term.

There is still some concern that a proportion of any capital released by the sale of 'surplus' estates may continue to be vired into running costs and disappear that way. Jeremy Hunt has recently made it clear that this practice will continue up to 2020.

Question 2: Do we have any reassurance that money released from the sale of our assets will not be 'lost' in running costs but instead will be used for the development of our health service?

Question 3: Do we have the skills required in our NHS Estates teams to make 'good deals' with any private investors or purchasers?

There appears to be enormous pressure to strike deals quickly.

Question 4: Do we have assurances that our NHS Estates team will walk away from any deal that is not in our best interest in the longer-term?

Naylor states: *'Even if the new models to be developed are fully successful, the STPs are likely to need the same level of hospital capacity (eg. in terms of bed numbers) as at present. The disposal of any estates must therefore not result in a reduction in bed numbers'*.

Question 5: Do we have reassurance that hospital capacity (bed numbers) will not be reduced?

There is a temptation, particularly in London, to want to increase the total national amount released from disposals to £5.7bn but this can only happen if

the NHS agrees to adopt a “more commercial approach”. This apparently involves changes in the way planning consent is obtained; affordable housing quotas are negotiated; and value is maximised from the highest value sites.

Question 6: What exactly does this involve that is different from a “less commercial” approach?

Question 7: Does achieving more Capital mean losing ‘affordable’ housing needed for the benefit of NHS staff that is so important?

The Review suggests that if STPs do not move quickly enough in the Government’s direction with provider plans embedded in STP plans; maximum possible disposals; addressing backlog maintenance; and delivering the 5YFV, then apparently STPs should not be eligible to access public capital funding.

Question 8: If the STP plans do not hit targets and public capital funding is not given to or reduced for providers could this lead to unnecessary risks for the community? If so, then who has responsibility for any harm caused given that the STP has no legal status?

There are plans for a ‘time limited offer, with a fixed funding pot and allocation on a “ first come first served” basis’, to match disposal proceeds with an equivalent amount of state funding. This is intended to encourage STPs and providers to act quickly and discourage them from holding on to any land.

Question 9: Will the offer of extra funding for rapid sales undercut the NHS bargaining position because a fast deal may ensure twice the income, any purchaser slow to offer more money will put our staff in a bind (ie they would have to decide whether to go for the best deal with the purchaser or to speed up the process to get a ‘double deal’ from the Property Board)? Could this in effect mean sales on the cheap?

The Naylor Review states that the creation of Accountable Care Organisations (ACOs) with population based ‘capitated’ budgets would be a way to overcome the conflicts of interest that currently exist between the “advisory” role of STPs and the statutory responsibilities of NHS provider trusts. An ACO would incentivise acute providers to invest property assets in primary, community and mental health services, alongside private investors, and so enable more patients to be treated closer to home in line with the 5YFV.

Question 10: As an ACO becomes a stand-alone, standardised, “public-private partnership”, will we not have then lost the sense of any National Health Service?

Question 11: If Naylor is supported, will we not lose a lot of our public assets and public wealth into private pockets?

The review recommends the creation of a powerful new NHS Property Board to address the challenges. In particular, the NHS Property Board should consider if it continues to invest in property or, given the direction of travel for greater local ownership, it divests to providers the residual assets it has inherited from the abolition of PCTs. But most providers are now, in effect, private businesses and the Secretary of State has no legal responsibility for the provision of the NHS.

Question 12: Does the divesting of property to providers mean that our assets may in effect be handed over to become part of the portfolio of a provider and that such a provider may be susceptible to take-over if it “fails”?

The Naylor Review will set up a bargain market of estate sales, healthy opportunities for matched-investments in integrated community services and create the managed-care environment of an ACO that is currently attractive to transnational corporations.

Question 13: Is the Naylor Review the beginning of the end for any form of a National Health Service and therefore, as it presents us with an ACO, does it not also present us with enormous potential losses: the loss of any national pooled-risk, the loss of national equity of care and the loss of the enormous benefits of strategic and national planning?

Question 14: Is the Naylor Review simply a means to bring about a structural change in the system of healthcare in England?

It will also probably hasten the loss of publicly-owned healthcare paid for through taxation. All of this achieved without consultation with the public.