

EXPLANATORY MEMORANDUM TO
THE NATIONAL HEALTH SERVICE ESTATE MANAGEMENT AND HEALTH
BUILDING AGENCY TRADING FUND (REVOCATION) ORDER 2005

2005 No.2603

1. This explanatory memorandum has been prepared by the Department of Health and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 The National Health Service Estate Management and Health Building Agency Trading Fund Order 1999 established a trading fund in respect of the National Health Service Estate Management and Health Building Agency. This Order revokes the 1999 Order.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 This SI revokes the National Health Service Estate Management and Health Building Agency Trading Fund Order 1999¹ It is made in exercise of powers conferred upon the Secretary of State by the Government Trading Fund Act 1973, and will come into effect on 14th October 2005.

5. Extent

5.1 This instrument applies to the United Kingdom.

6. European Convention on Human Rights

6.1 No statement is required.

7. Policy background

7.1 NHS Estates, an executive Agency of the Department of Health traded under The National Health Service Estate Management and Health Building Agency Trading Fund Order 1999.

¹ S.I. 1999/641 as amended by S.I. 2004/696

NHS Estates has been responsible for strategy and policy related to the healthcare built environment including non-clinical support services. Areas of work included:

- Capital planning and investment;
- Construction procurement;
- Design;
- Strategic estate planning;
- Operational management;
- Best practice engineering;
- Fire safety;
- The patient environment;
- Food and cleanliness;
- Key worker accommodation;
- Workforce strategy and training for estates and facilities staff;
- Property and environmental issues.

This programme was supported by a multidisciplinary team of professional and technical managers, senior managers from the NHS, professional architects, engineers, surveyors and project managers.

The aim of the agency was to provide the best possible environment for patient care by supplying support and advice on the planning, design, procurement, operation, and disposal of healthcare buildings and facilities. The objective was to develop as a centre of excellence for building better healthcare by:

- providing experienced professional and technical staff who can advise and troubleshoot on all aspects of the healthcare built environment;
- giving advice and expertise on delivering a better patient environment;
- sharing information about building on partnering and the benefits of our partnerships;
- disseminating examples of good practice, both national and international, and lessons learned from trusts through networking;
- releasing performance data for trusts;
- utilising our unique links to clinical policy;
- working in partnership with other healthcare-related organisations.

Government is moving forward with its commitment to streamline the civil service and re-allocate public-sector jobs out of London in line with the Gershon and Lyons reviews. As part of this overall programme, the Secretary of State outlined the DH's strategy for reform to reallocate resources to the front line and reduce bureaucracy in the NHS.

In July 2004, the DH published the 'Reconfiguration of the Department of Health's Arm's Length Bodies' report, which outlined its programme for reducing Arm's Length Bodies (ALBs) by approximately 50%, realising a saving of at least £500 million. One of the outcomes of the report was to abolish NHS Estates as an Executive Agency. The Agency ceased all trading with effect from 31st July 2005 and will close on 30 September 2005; however, most of the work

streams will carry on in other destinations and a core function for estates and facilities will be established within the DH.

NHS Estates has been reviewing its function and direction, in light of the ALB report, to identify services that will fit in with the DH's structure and contribute to the DH's priorities and objectives. The new DH Estates and Facilities Directorate, to take over from the close of NHS Estates, will adopt a more strategic-level approach to providing policy, advice and guidance on aspects of the healthcare estate.

Its "Forward Plan" for the coming year is to ensure the strategic development of a flexible and responsive environment for health and social care. The priority work streams for DH Estates and Facilities are:

- Engineering, Technology and Environment
- Estates Design and Costing
- Knowledge and Information
- Strategic Estate Management and Property.

7.2 In addition any employees of the Department of Health based in NHS Estates Agency at 30th September 2005 will be moved to the Department of Health's Delivery Directorate along with any assets remaining at that date.

7.3 In exercise of the powers conferred upon The Secretary of State by the Government Trading Fund Act 1973, the 1999 Order is to be revoked.

8. Impact

8.1 No Regulatory Impact Assessment is required for the change.

8.2 The trading activities that were carried out by NHS Estates have ceased.

8.3 Activities that were carried out by NHS Estates for the Strategic Health Authorities have been devolved to those authorities.

8.4 As part of the overall Arms Length Body reconfiguration it is expected that after taking account of the costs of closure that there will be a slight decrease in the cost of providing those services within the Department of Health that are considered essential to the strategic and policy setting direction of the Department that were hitherto carried out by the NHS Agency.

9. Contact

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