

The LIFT PPP model: delivering primary care buildings

Summary briefing and recommendations

The need for investment: a 21st century NHS estate

There is an urgent need for investment in the NHS estate across England to improve patient experiences and ensure our healthcare infrastructure is fit to deliver new models of integrated care. The Naylor Review of NHS property and estates in 2017 found that much of the estate is outdated with some healthcare buildings pre-dating the formation of the NHS 70 years ago and the Government agrees. The Department of Health and Social Care has stepped up its efforts to tackle this issue, with a recent pledge of £10 billion for NHS infrastructure over the next five years.

However, the Government has made it clear that it will need to find funding from a range of sources, and call on the capacity and expertise of the private sector to enable the transformation needed to design and deliver a healthcare estate fit for the 21st century.

The benefits of LIFT

LIFT companies (LIFTCos) have a track record of developing high quality primary and community care buildings to suit local health needs. Evidence from the 15-year life-span of LIFT - examined in [our full report](#), *Providing an estate for the 21st century NHS* - demonstrates that the PPP model delivers benefits including:

- **A proven partnership approach to primary care estates development**

Unlike other private procurement models, LIFT requires that both public and private sector investors retain an equity share in LIFT schemes, and evaluations of LIFT have found this approach leads to effective risk transfer and alleviation of administrative burdens.

- **A long-term community focused approach to local estate needs**

LIFT agreements offer well-balanced incentives to both private sector investors and the public sector equity holder Community Health Partnerships (CHP) which is mandated to reinvest profits into local estates and healthcare services.

- **A development model which can deliver new care models for the NHS**

LIFT supports the hubs model and implementation of multi-specialty community provider (MCP) and primary and acute care systems (PACS) structures which bring together a wide range of healthcare staff to better care for patients closer to their homes.

➤ **A modern, flexible approach to development to ensure quality**

LIFT has been specifically credited for raising the bar for quality in healthcare infrastructure development, by attracting national construction and design teams and bringing more sophisticated expertise to the development of purpose built primary and community care buildings.

➤ **A more effective public-private partnership model**

LIFT differs significantly from traditional PFI arrangements as - unlike controversial PFI deals - considerable public sector shareholding in LIFT projects ensures local buy-in from all stakeholders, as LIFTCos own, build, maintain and refurbish the premises.

Recommendations for government and the NHS

1) Greater central government - local NHS alignment on evaluating PPPs

The Department of Health and Social Care has endorsed the use of private finance for the development of the NHS estate, where it provides value for money. However, procurement options such as LIFT are sometimes ignored by local NHS organisations due to misperceptions over the cost and value of the model. Regional officials tasked with providing guidance on strategic estates planning and implementation must ensure PPPs are considered without prejudice by commissioners and providers, particularly given the limited availability of central capital.

2) A long-term revenue commitment to support the Department's 5-year capital plan

The Government's welcome commitment to improving NHS buildings and technology must be supported by an appropriate uplift in the revenue budget to enable rent repayments. While LIFTCos are willing and able to provide billions of pounds in capital investment, progress will be limited if prospective tenants are not given the financial headroom for development in the long-term NHS plan to be released by the end of 2018.

3) Clarification on the business case approvals process between the NHS and investors

LIFTCos have consistently met affordability caps at the outline business case approval stage for new schemes, but the overall decision-making process towards approvals has provided confusion for some time and appears to differ across the country. The LIFT Council is eager to work with NHS England, and other national and local stakeholders to ensure the healthcare estates community is aligned on its understanding of approvals process.

4) Greater transparency and more data on cost, value and utilisation

The LIFT Council recognises that the lack of clear data on various procurement options presents difficulties to local and regional NHS officials tasked with transforming their estate. We are eager to work closely with CHP, the Department of Health and Social Care and the Treasury to ensure greater access to data on cost and value, as well as utilisation rates within buildings developed through LIFT and other procurement routes available to NHS organisations.

Introduction to the LIFT Council

The LIFT Council is the representative body for the non-public sector partners within the Local Improvement Financial Trust (LIFT) initiative. Following the introduction of the LIFT public private partnership model by the Department of Health in 2004, the Council was established in 2005 as a forum for discussion and a vehicle for action as the clear industry voice of the LIFT community in dialogue both with political and policy stakeholders and with the media. The Council is a thought leader in debates around the provision of primary and community care premises in the National Health Service in England.

The LIFT Council's eight members have significant experience of managing health and social care facilities across England, with responsibility for nearly 300 buildings, representing over 80% of all LIFT buildings nationally. In addition to much-needed investment in these facilities, LIFTCos offer extensive strategic knowledge and expertise in local health care economies, the lack of which has otherwise been recognised as a shortcoming preventing improvements to the NHS estate. LIFT has a proven track record of investing in primary care infrastructure to move services out of hospitals and into community settings. Now is a crucial time for NHS facilities, and LIFTCos are well placed to continue working with their public sector partners to ensure that NHS properties are equipped to deliver the ambitions of the Five Year Forward View.

