



A BULLETIN FROM
CIPFA'S SOCIAL CARE
PANEL ON: NHS LIFT

What is NHS Lift?

NHS LIFT stands for NHS Local Improvement Finance Trust.

NHS LIFT is a vehicle for improving and developing frontline primary and community care facilities. It allows PCTs, often in conjunction with other agencies, to invest in new premises in new locations, not merely reproduce existing types of service. It provides patients with modern integrated health services in high quality, fit for purpose primary care premises.

NHS LIFT is flexible in respect of the type of buildings it provides. The approach does not simply provide a building into which services are put, but allows the building design to reflect the needs of the services. To date LIFT is providing a range of building types including re-provision of GP premises, one stop primary care centres, integrated health and local authority service centres, and community hospitals.

How LIFT works

The Department of Health has entered a national joint venture with Partnerships UK to develop and encourage a new market for investment in primary care and community based facilities and services. They established a joint venture company Partnerships for Health (PfH). DH bought out the Partnerships UK stake in PfH in December 2006, making PfH 100% owned by DH.

- PfH deliver NHS LIFT, on behalf of the DH, in partnership with the local health economy through the establishment of a LIFT Company or LIFTCo. This is a limited company with the local NHS, PfH and the private sector partner all as shareholders.
- This limited company – the LIFTco – owns and maintains the building and leases the premises to PCTs, GPs, Local Authority Social Services, dentists, pharmacists, etc. The local PCTs are shareholders in the LIFTco to protect the public interest.

The process involves the local health economy developing a Strategic Service Development Plan to clarify their vision for service modernisation. This is used to attract a private sector partner through a competitive procurement process, and they establish a joint venture (the LIFT Company) with the local health and social care bodies and PfH.

The company will be expected to deliver the Strategic Service Development Plan and enter in to a twenty or twenty-five year undertaking to deliver the Partnering Services. It will build, maintain and operate primary and community care buildings and it will assist the local health economy to develop the best solutions to its service needs. This may include property development expertise which can be used to assist a PCT with an affordability problem or putting a retail element in a one-stop centre to bring in additional revenue for a PCT.

Local Authority Involvement in LIFT

The key to a local authority accessing LIFT is their signature to the Strategic Partnering Agreement that is part of the contractual documentation that underpins the establishment of the LIFT Company in their area. Within this they can sign up to various levels of involvement in LIFT eg as shareholders in LIFT Company, as strategic partners or as tenants in a LIFT supplied building.

There is specific support for local authorities with LIFT related issues from 4ps at www.4ps.gov.uk

Progress to date?

LIFT represents a sizeable market and to date has involved four waves across a total of 49 LIFT areas covering the following:

- 6 first wave schemes: Newcastle and North Tyneside; Barnsley; Manchester, Salford & Trafford; Sandwell; Camden & Islington and East London and City; were announced in February 2001.

- 12 second wave schemes: Barking and Havering; Birmingham and Solihull; Bradford; Cornwall and Isles of Scilly; Coventry; East Lancashire; Hull; Leicester; Liverpool and Sefton; West Kent (Medway); North Staffordshire; Redbridge and Waltham Forest; were announced in February 2002.
- 24 third wave schemes Ashfield; Ashton, Leigh & Wigan; Barnet, Enfield & Haringey; Brent & Harrow; Bristol; Bromley, Bexley & Greenwich; Colchester & Tendring; Derby; Doncaster; Dudley; Ealing, Hammersmith & Hounslow; East Hampshire, Fareham & Gosport; Gedling; Lambeth, Southwark & Lewisham; Leeds; Norfolk; Oldham; Oxford; Plymouth; South East Sheffield; South West London; St.Helens, Knowsley and Warrington; Tees Valley, Wolverhampton; were announced in August 2002.
- 7 fourth wave Bolton, Rochdale, Heywood & Middleton; Bury, Tameside & Glossop; South East Essex; South East Midlands, South Midlands, South West Hampshire, Swindon & Wiltshire; schemes were announced in 2004.

There are currently 107 facilities open to patients, with 80 more under construction and dozens more being planned. On average, one facility a week has become operational throughout 2006 and this is expected to continue throughout 2007.

LIFT has leveraged some £990 million in private investment to date. In addition, DH allocated £210m up to 2005/06 to help kick-start LIFT projects.

Examples – NHS Lift Projects with active social care involvement

There are a number of LIFT schemes that have been developed in partnership between the local authority and primary care trust including those in Newcastle and Nottingham. Brief details of the scope of each scheme are provided below:

The Clifton Cornerstone in Nottingham opened in March 2006 offers the local community information, advice and local services provided by Primary Care, Council, Housing and the voluntary sector as well as access to community facilities such as café, creche and community meeting areas. For the local residents this is delivering integrated health and social care services into the heart of their community. Within this one facility they are able to access GP practices, multi-purpose diagnostic and treatment services, community base clinics such as podiatry, paediatrics, accommodation for community nurses such as District Nurses, Health Visitors, local authority joint service centre including Nottingham City Homes, Learning Disability and Social Services Teams, Education Welfare and Area Management Teams. Similar schemes in other parts of Nottingham are under development.

Newcastle and North Tyne PCTs in partnership with Newcastle City Council are through their LIFT Company developing a series of Local Authority Joint Service Centres co-located with local primary and community services. The Kenton Resource Centre opened in September 2005 is a major local customer service centre providing advice on 90 council services, library, base for police community support officer, for the Kenton, Fawcett and Blakelow areas as well as access to GPs and community health care professionals.

Additional Benefits of NHS LIFT approach over traditional approach

Procurement of facilities via the NHS LIFT route offers the following potential benefits:

- Flexibility – NHS LIFTs will offer GPs flexible lease arrangements (currently GPs are often tied into long leases). This should help attract more GPs to work in inner city areas
- Scale and speed – NHS LIFTs will help deliver a significant number of new premises in a short period of time.

- Integration of services – Patients expect to find as many of the services they need in one place as possible. NHS LIFTs will actively seek to co-locate additional services and facilities (for example space can be used by a range of related health care professionals as well as social services).
- Common approach – Avoiding individual GP practices or local teams having to develop an approach and all the documentation for each scheme, PFI is establishing a common approach that LIFT schemes across the country can adopt

Risks?

Potential risks associated with entering into a NHS LIFT arrangement include the following:

- Time commitment – participation in a scheme typically means entering into a commitment into 25 years. Should service priorities change this may mean being tied into an agreement which is no longer a top priority.
- Cost of participation – though NHS LIFT schemes can be reasonable value for money the 'state of the art' facilities do come at a price which may be higher than the cost of current similar facilities.
- Securing agreement on usage – with several partners potentially involved there may be difference of opinion on the best use of the facility and a need to compromise on original intentions.

LIFT v PFI

PFI is generally used for large scale building contracts and primarily for the funding of secondary care facilities. NHS LIFT is typically a locally contracted build project – usually driven by the PCT – and often incorporates other Community Services or multi-disciplinary groups or practices.

The shorter timescale for the establishment of a LIFTCo (target 18 months) is one of the attractions of the

LIFT option, though the target has proved difficult to achieve in practice. This is an issue only for the initial financial close. Once the LIFT Company is established there is generally no need for further procurement exercises to be undertaken.

NAO Report – May 2005

The National Audit Office have reviewed the NHS LIFT programme and a report on its findings was published in May 2005. The report was largely positive on the operation of NHS LIFT. Its main findings were:

- NHS LIFT is an effective means of improving primary health and social care
- There is more that can be done to measure performance and ensure accountability
- NHS LIFT is capable of producing value for money
- The local use of enabling funds was not monitored routinely and some schemes did not utilise funds in a timely manner
- The target 12-month timetable for establishing the LIFTCo and agreeing initial developments was too ambitious;
- The department should develop ways of evaluating the progress and contribution of NHS LIFT to improvements in people's health

Full details of the report are available at: <http://www.nao.org.uk/publications/vfmsublist/index.asp?type=vfm>

Business Case Approval Process

All LIFT schemes are underpinned by a business case approval process. To date integrated schemes across health and social care have been NHS led and followed the NHS LIFT Business Case Approval Guidance. This is to a tightly prescribed format and will need to cover the following aspects:

- Strategic context and service definition
- Project scope
- Financial Case
- Economic case and value for money

- Commercial case and contract structure
- Management and governance arrangements

For more detailed information on this see www.dh.gov.uk/nhslift

Financial case

The LIFTCo will typically pay for design and construction costs of the NHS LIFT premises and all stakeholders will be expected to pay a lease rental based on the floor area occupied.

Pass through costs which would include apportioned costs relating to non-usable space (eg. corridors, IT rooms etc.) would be separately identified in the agreement.

The Financial case will involve identifying the funding streams and the contributions expected from the various stakeholders.

Conclusion

NHS LIFT represents a viable alternative to traditional procurement enabling the introduction of locally constructed facilities built to a quicker timescale than typically afforded by PFI or traditionally procured projects. Procurement by this approach is in line with the principles of integration between health and social care set out in the Children Act 2004 and, in respect of Adult social care, the 2006 White Paper 'Our Health, Our Care, Our Say'.

Further information

Further information and guidance on the NHS LIFT process can be found on the Department of Health website at

1 <http://www.dh.gov.uk/en/Procurementandproposals/PublicprivatepartnershipsPPP/NHSLIFT/index.htm>

2 National Audit Office report – Innovation in the NHS: Local Improvement Finance Trusts
<http://www.nao.org.uk/pn/05-06/050628.htm>

3 **4ps** – www.4ps.gov.uk

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