

**GREATER MANCHESTER HEALTH AND SOCIAL CARE  
STRATEGIC PARTNERSHIP BOARD**

**9**

Date: 28 October 2016  
Subject: Estates Memorandum of Understanding  
Report of: Eamonn Boylan

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**PURPOSE OF REPORT:**

This report provides an update on progress on the development of two Memorandums of Understanding. The final MOUs are attached as appendices.

**RECOMMENDATIONS:**

The Strategic Partnership Board is asked to:

- Approve the final amendments to the Estates MOU between national and GM bodies as set out in section 5.4 of this report.
- Agree that subject to the Executive approving the final amendments and to the MOUs being approved by Department of Health Ministers, Jon Rouse will write to all GM parties to the national MOU recommending that they accept the final amendments.

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## **1.0 INTRODUCTION**

- 1.1. In January 2016, GM agreed to the development of two Memorandum of Understandings at a national and Greater Manchester level. The purpose was to underpin the reconfiguration of the health and social care estate in order to ensure that we can deliver our shared vision from a property base that is fit for purpose in terms of location, configuration and specification. Effectively utilising the GM health and social care estate will be key to the delivery of clinical and financial sustainability by 2021. The MOUs were approved by the SPB in April 2016.
- 1.2. Estate transformation will also contribute to our devolution agreements on the GM Land Commission and One Public Estate. It will help with joining up the management of the public sector estate as a whole to underpin the reform of public services, whilst also providing a pipeline of sites to contribute to the GM Spatial Strategy to provide land for housing, regeneration and employment.

## **2.0 MEMORANDUM OF UNDERSTANDING**

- 2.1. The scale of the changes required to deliver our ambitions will require strong leadership and co-ordination across the complexities of the ownership and management of the GM health and social care estate and across local government and other public services. GM must take responsibility for driving this work forward and will need to be supported by national bodies.
- 2.2. The two MOU's cover :
  - A National MOU agreed between GM and the national bodies - Department of Health (DH), HM Treasury, DCLG, NHS Improvement and NHS England; and
  - A GM MOU agreed between all GM organisations, within the Health and Social Care Partnership, NHS Property Services and Community Health Partnerships.
- 2.3. The National MOU will require that GM shows leadership and collaboration with regard to the management of its estate and associated investments. The national bodies will want assurance that decisions are being made in GM with all parties involvement and for the good of the health economy as determined by the GM Estates Strategy.
- 2.4. The GM MOU will provide assurance that decisions are being made in GM with all parties' involvement and for the good of the health economy as determined by Locality Plans and the GM wide strategic themes within the 'Taking Charge' strategy.
- 2.5. The two MOU's are attached following development by GM partners and Department of Health. The key principles of the MOU's are :
  - Decisions will to be focussed on the people and patients of GM and delivery of 'Taking Charge'. They will not be based on organisational self-interest alone;

- Organisations will collaborate to prioritise requirements at a locality and GM level;
- GM parties will take a transparent and open book approach on estates;
- All parties will take a reasonable endeavours approach to helping DH achieve its targets, while supporting GM ambitions

### 3.0 MOU APPROVAL

3.1. The MOU's set out the overarching principles needed to provide the leadership and coordination required to maximise the opportunities the GM estate offers. They establish the way in which GM and national organisations will adopt a collaborative approach to the management of the GM estate with the wider GM strategy in mind; and clarify the process by which the disposal of GM health and social care estate will be managed.

3.2. The MOU's have been approved by many of those GM organisations who are party to the agreement. The remaining organisations are in the process of taking the MOU's through their governance processes. The Department of Health has asked for a couple of changes to be made to enable them to secure ministerial approval to the MOU. These are about the dispute resolution and the capital resource limit. The details are below and the revised documents are attached. The amendments do not change the principles or working arrangements of the MOU's. The details and impact of the MOU's remain the same.

3.3. Once agreed by the executive and by Ministers Jon Rouse will send the final agreed MOU's to all GM parties recommending that they be accepted. It is not envisaged that the MOU's will need to go through the approval processes to all GM parties again.

3.4. Specifically Department of Health has asked for the following

- **Capital Resource Limit** - Section 7 of the national MOU - All parties will work together to agree how should be replaced by the word whether the NHS Capital Resource Limits relating to GM NHS Trusts and NHS Foundation Trusts can be confirmed as soon as possible,
- **Dispute resolution** - the formal dispute resolution clause in the National MOU should be replaced with the informal dispute resolution clause below:

#### *Informal Dispute Resolution*

Most disputes should be resolved through local negotiations prior to invoking a more formal process.

#### *Stage 1 Escalated Negotiation*

The formal dispute resolution is initiated by either party making a written negotiation offer to the other party. A 15 day working day negotiation period will follow the written offer.

### *Stage 2 Mediation*

The parties shall attempt to agree upon the appointment of a mediator, upon receipt, by either of them, of a written notice to concur in such appointment. Should the parties fail to agree within fourteen days, either party, upon giving written notice, may apply to the President or the Vice President, for the time being, of the Chartered Institute of Arbitrators, for the appointment of a mediator. A mediation session will be arranged and each party will be allowed to comment on the other party's proposed solution. The mediator will challenge and test, and invite parties to agree. Any settlement reached will be put in writing and signed by both parties. The mediator will not provide a judgement but will seek to find a compromise between the parties.

### *Stage 3 Adjudication*

If the dispute cannot be settled through mediation then is it referred to the President or the Vice President, for the time being, of the Chartered Institute of Arbitrators, for the appointment of a single arbitrator, for final resolution. The arbitrator shall have no connection with the mediator or the mediation proceedings, unless both parties have consented in writing. The arbitration shall be governed by both the Arbitration Act 1996 and the Controlled Cost Rules of the Chartered Institute of Arbitrators (2014 Edition), or any amendments thereof, which Rules are deemed to be incorporated by reference into this clause. The seat of the arbitration shall be England and Wales.

## **4.0 NEXT STEPS**

- 4.1. Work is continuing on developing the GM pipeline of capital projects which will facilitate change in the H&SC estate and delivery of "Taking Charge". The work is overseen by the GM Strategic Estates Board and will be underpinned by a prioritisation process and business cases to ensure that investment will drive down revenue costs as well as securing service and estate improvements.

## **5.0 RECCOMENDATIONS**

- 5.1. The Strategic Partnership Board is asked to:
  - Approve the final amendments to the Estates MOU between national and GM bodies as set out in section 3.4 of this report.
  - Agree that subject to the Executive approving the final amendments and to the MOUs being approved by Department of Health Ministers, Jon Rouse will write to all GM parties to the national MOU recommending that they accept the final amendments.