

# NZC Policy in the NHS <sup>&</sup> Premises Update

VWV Strategy Conference - 18th October 2022

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### **Running Order**

- 10 MINUTES NZC
- Delivering a Net Zero Carbon NHS
- Green Plans
- · Current Regulation
- Shift from BREEAM to NZC
- Building Regulations
- MEES
- 5 MINUTES PREMISES UPDATE
- ARRs and how they are accommodated
- NHS Estates Strategies
- Notional rent shifts and trends
- · Primary care investment market
- COVID design changes and adaptations
- Pharmacies if we have time....
- 5 MINUTES Q&A



# Net Zero Carbon - National Policy

NHS

- Paris Climate Agreement 2016 limit global warming to 1.5-2.0 degrees
- UK Climate Change Act 2008 100% reduction from 1990 levels by 2050
- Wider property market implementation:
  - · Landlords and owners encouraged to improve energy efficiency
  - Minimum Energy Performance Standards (MEES)
  - Energy Performance Certificate (EPC) minimum ratings
  - Building Regulations
- NHS:
- Delivering a Net Zero National Health Service
- 80% reduction by 2032
- Net Zero reduction by 2040
- Every NHS Trust and ICS to produce a GREEN PLAN

#### Delivering a 'Net Zero' National Health Service

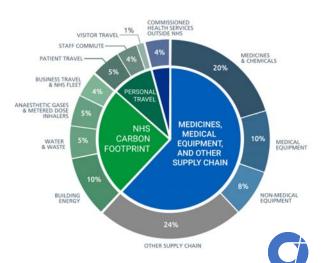




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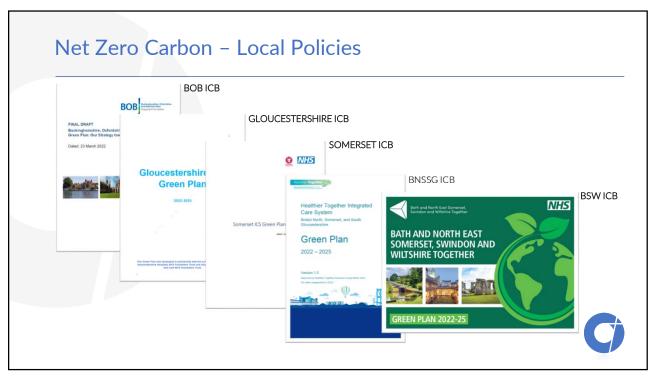
## Net Zero Carbon - National Policy

- Two key targets:
  - NZC by 2040 for all NHS emissions it 'controls'
  - NZC by 2045 for all NHS emissions it can 'influence'
- Statement: Worlds First Net Zero Carbon National Health Service
- Health & Care Act 2022 places new duties on NHSE and all commissioners 'to contribute 'towards statutory emissions and environmental targets.
- First part is to measure current emissions called: NHS Carbon Footprint and NHS Carbon Footprint Plus
- Building Energy 10% (40% of NHS carbon footprint)
- "Delivery of the plan will therefore require on-going, targeted investment and an aligned financial policy and decision making process"



[Source: Delivering a Net Zero National Health Service]

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#### Net Zero Carbon - Local Policies - Green Plans

- BNSSG
- "Wish to be leaders in fast-tracking plans to achieve carbon neutrality by 2030"
- Sustainability one of 7 key 'pledges'
- "All new buildings and refurbs must meet the NHS Net Zero Carbon Building Standard"
- All generally catergorised into:
  - Supply Chain (42%)
  - Medicines (20%)
  - Estates and Facilities (15%)
  - Transport and Travel (14%)
  - Digital
  - Adaptation & Offsetting
- Estates and facilities 15% contribution or which 5% relates to primary care
- Funding capital funding and grants (MIGs) "to enable developments in infrastructure which prioritise NZC"
- "GPC England to negotiate with NHSEi to provide sustainability funding to ensure all NHS GP surgeries are net carbon neutral by 2030"



#### Net Zero Carbon - Local Policies - Green Plans

- All very similar themes with references back to the 'Delivering a NZC NHS'
- Some reference Government grants such as the Public Sector Decarbonisation Scheme phase 1 £1Bn administered by BEIS / Salix Finance
- BSW "NHS is under pressure like never before, and it will not be easy, but the plan represents a firm commitment from all of us as partners to achieve net zero" 100% by 2040
- Gloucestershire still in draft review infrastructure and "set out the journey to NZC by 2022/23"
- Somerset "contributing to the goal of making Somerset a carbon neutral County by 2030" new builds to be NZC or BREEAM Outstanding.
- BOB new builds and sustainability meeting BREEAM standards.
- · Further thoughts....
  - Digital working from home, virtual meetings?
  - Offsetting costs?

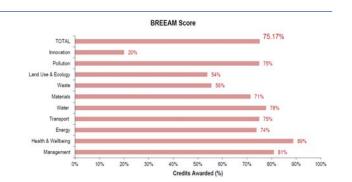


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#### NHS Accredited Environmental Tool - BREEAM

- BREEAM 'Building Research Establishment Environmental Assessment Method' – adopted by the NHS in 2008
- BREEAM 'Excellent' mandatory for new build NHS developments
- BREEAM 'Very Good' mandatory for refurbishments
- 120 credits available across 10 categories 70% (excellent)
- Latest version of BREEAM International New Construction V6 for registrations from 24<sup>th</sup> August 2022 following the updated Building Regs Parts L (Energy) and F2 (ventilation) that came into force in June 2022.





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#### **Building Regulations**

- 2021 Building Regulations came into force June this year
- First real update since 2013
- Approved Documents Part F, L, O & S
- Part L covering energy performance
- 31% reduction in carbon emissions compared to current standards
- Key changes:
  - Carbon factor electricity from renewables
  - Air testing
  - Impact on running costs
  - On site completion requirements

Component	1970	1980	1990	2000	2010	2013(2016 amended)	2021
Wall	1.6	1,0	0.6	0.45	0.3	0.18	0.18
Roof	1.5	0.68	0.4	0.35	0.2	0.13	0.11
Floor	1.2	1.2	1.2	0.51	0.22	0.13	0.13
Window/door	4.8	4.8	4.8	3.1	2	1.4	1.2

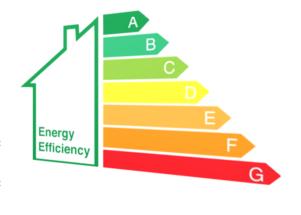
Table relates to Part L1a (Dwellings) and is shown for illustration purposes





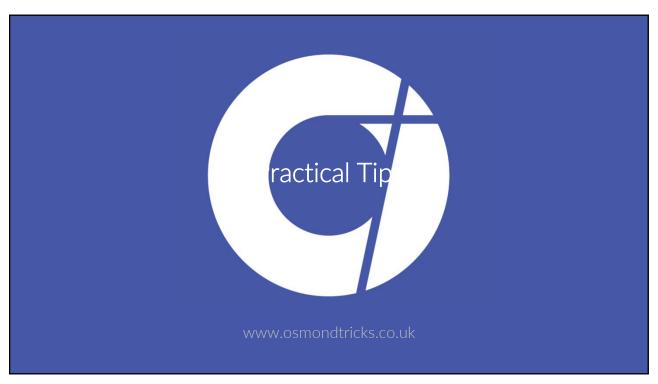
## Minimum Energy Efficiency Standards (MEES)

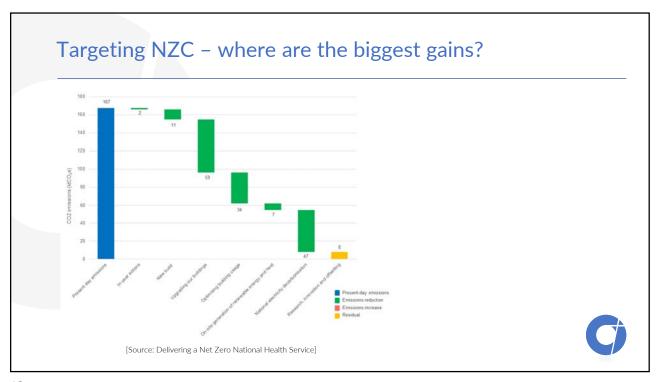
- Energy Efficiency (Private Rented Property)(England & Wales) Regulations 2015.
- Covering "non-domestic private rented property" to cover most commercial premises.
- Unlawful since 1 April 2018 for commercial landlords to grant or renew leases with an EPC less than E.
- Changes:
- $1^{\rm st}$  April 2023 offence to **continue** to let or sub-let a commercial property with an EPC below E rating:
- 1st April 2025 Landlords of all non-domestic rented buildings must present a valid EPC (E or above)
- 1st April 2027 bar raised to C rating
- 1st April 2028 Landlords of all non-domestic rented buildings must present a valid EPC (C or above)
- 1st April 2030 bar raised again to B rating
- Proportion of rented property covered by MEES will increase from 10% to 85% reducing energy usage across commercial and industrial buildings by 30%





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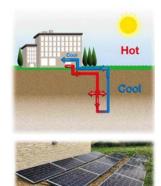






#### Sustainability - Shift from BREEAM Excellent to NZC

- Developing an Energy Strategy (including Energy Modelling)
- Air tightness less than 3 currently we achieve between 5-10
- Heat recovery on all extract systems
- Ground Source Heat Pumps in lieu of high efficiency gas fired boilers
- Air Source Heat Pumps (less effective)
- PV and Solar Thermal would need approx. double
- Glazing average 2.2W/m2K reduced to 0.8 U-value (perhaps triple glazed timber windows)
- Walls average 0.35W/m2K reduced to less than 0.12 U-value
- Roof average 0.25W/m2K reduced to 0.1 U-value
- Floors average 0.25W/m2K reduced to 0.1 U-value





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#### Sustainability - the cost of NZC

- Pilot study typical 1,000sqm health centre / surgery
- Add between £300k- £500k to the construction cost\*
- Estimated 10-15% increase in costs\*
- Notional Rent funding increase case study £14.20 added to the rent\*
- Primary Care Directions 2013 energy improvements 'disregarded'
- New Directions have been mentioned?

[\*based on June 2021 prices/rates]

#### Extract from Primary Care Premises Directions – Schedule 2 Part 1 Para 3 (e):

(e) where improvements have been made to the practice accommodation and those improvements are designed solely to reduce the environmental impact of the premises, such as the installation of solar panels, air conditioning, or replacement windows or doors, those improvements must be disregarded for the purposes of assessing the current market rent.







# **Premises Update**

- ARRS (Additional Roles Reimbursement Scheme) and how they are accommodated?
- NHS Estates Strategies and PCN Toolkits
- · Notional rent shifts and trends
- Primary care investment market
- COVID design changes and adaptations
- Pharmacies
- NHSPS Health Centres and the BMA test case





## Accommodating ARRs - Premises Sizing

- Example BNSSG forecast additional 381 roles by 2023/24
- Starting point NHS Space Use Allowances
- Does not differentiate between training practices and non-training practices
- Does not differentiate for dispensing practices
- No allowance for new Changing Places accessible shower/WC provision (new)
- Introduced before ARRs

	Co-located
Current Patient Numbers	11,953
Increase in patient numbers - 2,047 (assume by 2030)	2,047
Anticipated Patient Numbers by 2030:	14,000
NHS Space Use Allowances/sqm	1,000
A - Training - 2No. clinical/sqm	32
A - Training - room shared/sqm	20
B - ARRs / PCN roles - 4No. Clinical rooms shared	64
C - Changing Places (new Building Regs requirement)	12
Plus Circulation/sqm @35%	51
Total	179
Total / sqm	1,179
Percentage of current GIA	60%



Typical Changing Places Facility

# Information from NHS Property services regarding GP developments Gross Internal Areas (GIA)

Number of patients	2,000	4,000	6,000	8,000	10,000
Type of Premises (See notes (	i) A	A	В	В	
and (ii)					
Gross Internal Area (GIA)	199	333	500	667	833
Allowance					

	gotter e a parit				
Number of patients	12,000	14,000	16,000	18,000	
Type of Premises (See notes (i)	В	В	В	В	
and (ii)					ı

Note: -

(ii) Type B – Two storey premises with 1 staircase and 1 lift

Where a staircase or lift is not built the GIA allowance should be reduced accordingly.

 Exceptionally, where 400m<sup>a</sup> contractor premises need to be built on two storey. NHS CB may add 35m<sup>a</sup> for 1 staircase and 1 lift.



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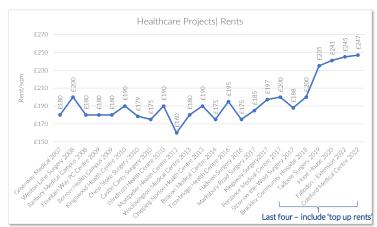
### Notional Rent - shifts and trends

#### Recent examples approved rents:

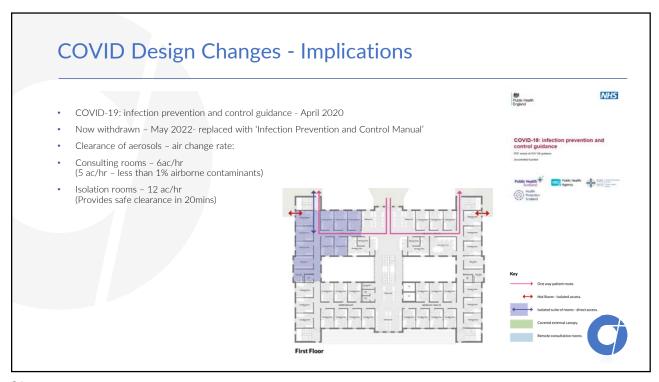
- Southampton ICB
   June 2021 £245/sqm
- Fallodon Way
   June 2022 £245/sqm

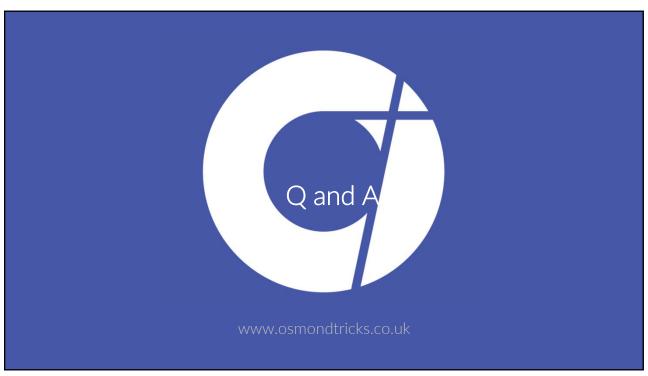
#### Recent examples funding bids:

- Coleford Medical Centre £247/sqm
- Brockworth Surgery £247/sqm indexed / £280/sqm











# **Thank You**

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Beacon Medical Centre (GVA)
Bedminster Family Practice (OT)
Berrow Medical Centre (GVA)
Blackpool North PCC (OT)
Blackpool South PCC (OT)
Castle Cary Health Centre (GVA)
Chipping Norton Health Centre (GVA)
Chipping Norton Health Centre (GVA)
Creech Medical Centre (GVA)
East Trees Medical Centre (GVA)
Fishponds PCC (OT)
Greenway Community Practice (OT
Hadwen Medical Practice (GVA)
Hampton House Health Centre (OT)
Hollow Way Medical Centre (OT)

Kingsway Health Centre (GVA)

Monks Park Surgery (OT)

Nuffield Health Centre (OT)

Puddletown Surgery (GVA)

Salisbury Medical Centre (GVA)

Shirehampton PCC (OT)

South Bar House (OT)

Sun Inn Southampton (OT)

St Augustine's Surgery (GVA)

The Health Centre, Bicester (OT)

Tinkers Lane Surgery (OT)

Wrowbridge Health Centre (OT)

Westbury-on-Trym Surgery (OT)

Whitchurch PCC (OT)

Wellington Health Centre (GVA)

Windrush Health Centre (GVA)