

Agenda Item No	
Meeting	Board of Directors
Date	26 th September 2013
Title	Developing an Estate Strategy 2013 to 2018
Purpose <i>Why is this paper going to the Trust Board</i>	The Estate Strategy is at an early stage and is being developed in conjunction with the new Clinical Service Strategy. At this stage the Estates Strategy is for discussion by the Board.
Key Points for Finance & Investment Committee members <i>Summarise the main points and key issues that the Finance & Investment Committee should focus on including conclusions and proposals</i>	<p>The main objective of the Estate Strategy is to support the Clinical Services Strategy, providing accommodation that fully supports patient care in premises that are well maintained, safe and operated economically.</p> <p>The recent integration of community service provides the organisation with a complex portfolio of premises.</p> <p>The physical condition and functional suitability of the premises from which the organisation operates varies immensely from the new Bolton One and Brightmet Health Centre buildings, to older Victorian properties that have inherent backlog maintenance issues.</p> <p>At this stage, the main focus of the development of the strategy is to identify and discuss whether new centres such as Bolton One and Brightmet Health Centre, can be better utilised by moving services from the Royal Bolton Hospital site which currently occupy accommodation which provides poor patient environments, and has inherent backlog maintenance issues.</p> <p>The purpose of this approach is to undertake a rationalisation of the Royal Bolton Hospital estate, disposing of poor quality / redundant buildings and disposing of surplus land to potential developers.</p> <p>This approach needs to be underpinned by investment in the Estates Infrastructure to provide clinical services with reliable and efficient Engineering Building Services.</p> <p>The combined approach of Estates Rationalisation and upgrade of the Estates infrastructure will enable reduced backlog maintenance and provide the Trust with future annual savings.</p>

	<p>To ensure that the new Estate Strategy is having a positive impact on the performance of the estate, it is recommended that the Trust adopts the NHS Land and Property Appraisal Framework to measure annually the performance of each Trust building in terms of <i>Physical Condition, Functional Suitability, Space Utilisation, Quality, Statutory Compliance, and Environmental Management</i>.</p> <p>With two added local criteria; these being <i>Reducing Risk Adjusted Backlog Maintenance</i> and <i>Planned Preventative Maintenance Compliance</i>.</p>
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<p>Next steps/future actions</p> <p><i>Clearly identify what will follow the Finance & Investment Committee decision</i></p>	Discuss the emerging Estate Strategy with other stakeholder organisations such as the CCG, NHS Property Services and Local Authority Planning Department.		
	Discuss and further develop proposals which affect departmental managers and staff, in relation to the relocation of some services to Bolton One and Brightmet Health Centre.		
	Discuss	√	Receive
	Approve		Note

Assurance to be provided by:	NHS Land and Property Appraisal Framework
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This Report Covers (please tick relevant boxes)

Strategy	√	Financial Implications	√
Performance		Legal Implications	
Quality		Regulatory	
Workforce		Stakeholder Implications	
NHS constitution rights and pledges		Equality Impact Assessed	
For Information		Confidential	√

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Developing an Estate Strategy
Making the Estate Work for the Future

Bolton NHS Foundation Trust

2013 to 2018

Discussion Stage

1. Introduction

The main objective of the Estate Strategy is to support the Clinical Services Strategy, providing accommodation that fully supports patient care in premises that are well maintained, safe and operated economically.

Bolton NHS Foundation Trust operates within premises that it owns on the Royal Bolton Hospital site and at Bolton Diabetes Centre. The Land and Building assets that the organisation owns are currently valued at £110.8m.

The Trust also operates within community premises under licence arrangements with NHS Property Services.

The recent integration of community services provides the organisation with a complex portfolio of premises.

The physical condition and functional suitability of the premises from which the organisation operates varies immensely, from the new Bolton One and Brightmet Health Centre buildings, which were recently procured under the Local Improvement Finance Trust (LIFT), to older Victorian properties that have inherent backlog maintenance issues.

There is now a need to develop a new Estate Strategy that moves away from a reactive approach to clinical service needs, and moves towards performance management of building assets during their normal life cycle in terms of risk, quality, functional suitability, effectiveness and efficiency, ensuring value for money in all required future investment into the Estate.

Early this year work started on integrating a new Estate Strategy with the Clinical Service Strategy, ensuring that organisational premises support the future clinical service needs, whilst also identifying surplus buildings and land assets that could be released.

This paper provides an opportunity for members to discuss the emerging Estate Strategy and also provides a number of recommendations for consideration.

2. Clinical Service Strategy

The Trust Estate Strategy must support the Clinical Service Strategy ensuring a realistic response to four fundamental factors:

- The over-riding imperative to provide services that are high quality, safe, effective and which provide a good experience for patients and their carers, and the population as a whole.
- The need to achieve and maintain a financially sustainable future for the Trust and the local health economy.
- The re-shaping of local health and social care services to prevent ill health and enable much more care, when it is needed, to be provided outside hospital, particularly for older people and people with long-term conditions.
- Reconfiguration of hospital services across Greater Manchester (“Healthier Together”).

The Trust Estate must provide building facilities and services infrastructure that effectively and efficiently support the key elements of the organisations’ Clinical Service Strategy, these being:

- Bolton FT will build on the advantages of being an **integrated provider of local hospital and community-based health services** to deliver, with our partners, the very best care for Bolton patients throughout their healthcare journeys. We will focus on ensuring the best care for frail elderly people and people with long term conditions, outside hospital, through design and delivery of effective pathways of care.
- **Prevention, early intervention and keeping people healthy is central to why we are here**, as well as to provide excellent care for people who need treatment.
- Royal Bolton Hospital will remain a **major provider of A&E and emergency access services**.
- The Trust will **continue to develop as a centre of excellence for Women’s and Children’s services**, remaining one of Greater Manchester’s hubs for those services.
- The Trust will **retain and develop a range of planned diagnostic and treatment services** which;
 - Can sustain high standards, have critical mass and are clinically viable;
 - Meet the needs and preferences of patients;
 - Make a positive financial contribution and/or;
 - Are essential to sustaining the wider service provision in the Trust.

3. Where Are We Now?

The Land and Building assets that the organisation owns are currently valued at £110.8m.

The Trust currently operates from a range of premises that vary from new high quality, fully functional premises, that are not fully utilised, to Victorian properties that offer poor quality in terms of decoration, comfort, functional suitability and backlog maintenance risks.

Data on the performance of the organisation's estate is limited. The Trust has undertaken property appraisal in terms of Building, Engineering, Statutory Safety and Fire Safety on an annual basis, which contributes to identification of Backlog Maintenance cost.

The Trust has one of the highest Backlog Maintenance costs within the region, currently £23.9m which is risk adjusted to £11.95m. The risk adjusted figure is a calculation that takes into account high and significant risk whilst also acknowledging future maintenance cost for moderate and low risk.

The Trust has an ageing building services engineering infrastructure, with identified high and significant backlog maintenance risk. The current main air cooled chilled water plant that provides refrigeration for the main Theatres Air conditioning plant has reached the end of its operational life. The equipment regularly fails causing operational difficulties in the operating theatres.

Much of the heating infrastructure is inefficient and the current coal boilerhouse equipment is very maintenance-intensive, and performs poorly in terms of carbon emissions.

During the past five years significant investment has been directed into the Electrical infrastructure which has included the procurement of modern stand-by generators. This is an area that could be explored to provide the Trust with potential income.

In previous Estate Strategies reference has been made to disposal of the South East Sector of the site, however little progress has been made. Currently the large areas of the former Print and Laundry buildings are vacated and surplus to requirements.

Areas such as Children's Outpatients and Minerva Day Centre offer poor accommodation and these buildings have significant backlog.

Premises within the community such as Halliwell Children's Centre and Westhoughton Health Centre also provide poor facilities for patients.

In past two years the Trust has located some services into the health economy “Flagship” premises of Bolton One and Brightmet Health Centre. These two premises provide high quality functionally suitable environments. However, a recent week long space utilisation survey highlighted poor levels of occupation within these centres. In some areas, rooms had utilisation rates of below 30%.

There has been some interest from a potential developer and another NHS Trust to buy land in the South East sector of the RBH site for health / social care related projects. A valuation of the South East Sector of the site has recently been undertaken by the District Valuation Officer. Land prices within the Farnworth area remain depressed, and the current valuation for this site is £2.75m

The large proportion of the acute clinical services are located on the main spine of the hospital. Ward accommodation between A and D blocks was built in the early part of the twentieth century and this accommodation has been converted from original nightingale wards. Although B1 ward has recently been upgraded and A4 ward is currently undergoing refurbishment, the remaining accommodation feels tired and in need of refurbishment, although some work to provide improved infection prevention in these wards is currently ongoing.

Recent upgrades to the Maternity Unit have provided first class Neonatal / Special Care and Central Delivery Unit facilities. However the remainder of the Maternity complex has high risk backlog maintenance issues in terms of fire safety and asbestos. Many of the ward area environments are looking tired, and these areas can be very drafty during the winter months due to poorly fitting metal window frames.

The Major Development accommodation of E, F and G Block, which was built in 1996, remains in a generally good condition, although some of the engineering plant and equipment is in need of refurbishment, as this equipment is reaching the end of its normal life-cycle.

4. *Where Do We Want to Be?*

The performance of the estate has traditionally been measured in terms of NHS Property appraisal criteria and Patient Environment Action Team (PEAT) / Patient Led Assessment of the Care Environment (PLACE) inspections.

However these assessments don't take into account functional suitability, space utilisation and energy performance. As a result the Trust has limited information on the performance of the estate.

Recent space utilisation audits of areas in Bolton One and Brightmet Health Centre provide an indication that as an organisation, we do not manage our space well.

The new Estate Strategy must deliver a Trust estate that truly supports the Clinical Service Strategy, in premises that are functionally suitable, welcoming, comfortable and are utilised efficiently and effectively.

The new (under-utilised) facilities of Bolton One and Brightmet Health Centre provides an opportunity to relocate services that currently operate within buildings on the Royal Bolton Hospital site, with poor environment and maintenance-related problems.

This will allow a rationalisation of the hospital estate, allowing the demolition of buildings with low occupancy or with significant backlog maintenance issues, and enabling the sale of surplus land within the South East sector of the Royal Bolton Hospital.

All acute clinical services need to be located on the main spine of the Royal Bolton Hospital Site, with a building service engineering infrastructure that is highly efficient, cost effective and fully meeting our carbon emissions reduction commitment.

As part of the future, the Estates Capital Investment Programme will include the refurbishment of patient and public areas along the main spine of the hospital.

During the next five years, the Estate Strategy and associated capital investment will deliver improvements in the following criteria achieving the highest possible performance for each standard of the NHS Land and Property Appraisal model (illustrated in table two) as set out on the next page.

Physical Condition	Achieve Standard B	Sound – operationally safe and exhibits only minor deterioration.
Functional Suitability	Achieve Standard A	Very satisfactory – no change needed.
Space Utilisation	Achieve Standard F	Fully used – a satisfactory level of utilisation.
Quality	Achieve Standard B	Facility requiring general maintenance investment only.
Statutory requirements	Achieve Standard A	Building complies with all statutory requirements and relevant guidance.
Environmental Management	Achieve Standard B	56 to 65 GJ per 100 cubic metres.

The Estate Strategy will also include two local additional criteria in which performance will be measured and improved these being:

- Backlog Maintenance – Zero risk-adjusted Backlog Maintenance within five years.
- Planned Preventative Maintenance – 95% compliance for Maintenance Programme for each of the 15 identified critical systems i.e. water safety, fire safety and electricity, to be achieved as soon as possible, within three years.

5. How Do We Get There?

Three organisations within the Bolton Health Economy have responsibilities for Property Management of Healthcare Facilities within Bolton. These are 'Bolton NHS Foundation Trust', 'Bolton Clinical Commissioning Group' and 'NHS Property Services'. Each of these organisations have a different agenda for the management of healthcare premises in Bolton.

It is important therefore that discussions take place between these organisations to identify and agree a process in which the levels of space utilisation both at Bolton One and Brightmet Health Centre can be improved. This will facilitate the rationalisation of the Royal Bolton Hospital site, with the relocation of services as illustrated in Table Three. It is currently proposed that all Children's Outpatient Services, which currently operate from the Royal Bolton Hospital and Halliwell Children's Health Centre would be centralised at Brightmet Health Centre.

Currently, some Orthopaedic Out-Patient clinics operate from Minerva Day Unit. The Minerva Day Unit provides poor facilities for patients. It is planned that these Orthopaedic Out-Patient clinics will be relocated to Bolton One.

These plans will be developed with representatives from each of the relevant services, facilitated through workshops that are supported by Divisional Directors of Operations, and representatives from Estates, Finance and, where appropriate, NHS Property Services.

We aim to reduce the current level of risk-adjusted backlog maintenance to zero over the next five years. The rationalisation of the estate will be one contributor, but the building services engineering infrastructure needs significant investment to ensure that all clinical services are supported with reliable, efficient and well maintained heating and air conditioning plant.

Work has already started to develop an energy scheme that fully addresses the identified risk, whilst providing reductions in utility consumption, carbon emissions and revenue costs. Potential energy partners have been identified and initial discussions are in hand. Capital funding in the region of £7m will be required. The scheme will however offer some pay-back with reduced energy cost estimated to be around £700K per annum.

Once funding has been identified, an OJEU Competitive Dialogue process will be undertaken. It is anticipated that the energy scheme, with guaranteed annual savings, would be fully completed within three years.

The rationalisation of the Royal Bolton Hospital estate could potentially release 54000 square metres of land in the South East sector of the site, currently valued at £2.75 m. There has been initial interest from one NHS Trust and a developer to provide health / social related projects on this land. The rationalisation of the estate will reduce the organisation's maintenance cost, energy cost and capital charges.

Currently, the energy scheme and potential development of the South East sector are being scoped as one project. If a district heating scheme is incorporated within the energy scheme to service the new development, this could also provide an opportunity for the Trust to generate an income from the sale of energy and other estates and facilities services.

The new proposed Estate Strategy is ambitious and innovative. It is recognised that it is important that the Trust fully implements appraisal of the current Trust estate utilising the six facet NHS Land and Property Appraisal model (as illustrated in table two) and that this includes backlog maintenance performance and planned preventative maintenance compliance.

Over the next five years, significant investment is required to improve the Trust estate and infrastructure. The performance of the Trust estate and infrastructure will be constantly measured to ensure that it fully supports the clinical services strategy and provides our patients and staff with pleasant, comfortable healthcare environments that are effective and efficient.

Careful consideration will be required to be given to car parking on the Royal Bolton Hospital site. This will be an area that will be scrutinised by the Local Authority Planning Officer due to previous parking issues. Appendix One provides an illustration of the proposed changes to parking facilities.

Discussions with Transport for Greater Manchester will also take place, to ensure the provision of reliable and frequent public transport to community health centres such as Brightmet.

6. Recommendations

The management of healthcare estate and property is complex. It is important that property assets support the clinical service strategy whilst providing premises that are aesthetically pleasing and comfortable for both patients and staff, also ensuring that all accommodation is functionally suitable and effectively and efficiently utilised.

Currently there is only limited data on the performance of Trust-occupied premises, in terms of space utilisation, quality and functional suitability. It is important that any investment in the refurbishment of premises and upgrade of the building services infrastructure has a positive impact on the performance of the estate overall.

This Estates Strategy is at an early stage of development with an emphasis on releasing surplus land and using space more efficiently, whilst improving Trust premises and reducing risk.

It is recommended that discussions with key stakeholders including the CCG, NHS Property Services and representatives from potential premises users, both staff and patients, are undertaken immediately.

During these discussions it is also recommended that the NHS Land and Property Appraisal Model is adopted to ensure that any changes to the Trust estates and premises which the organisation occupies have a positive impact on patient staff experience, ensuring efficient and effective operation of Trust buildings and infrastructure for the full life-cycle of each building asset.

**Table One – Total Backlog Maintenance Royal Bolton Hospital Site Only 2012/13
(@ 31st March 2013)**

Condition	High Risk (£000's)	Significant Risk (£000's)	Moderate Risk (£000's)	Low Risk (£000's)	Risk Adjusted (£000's)
Building	170	552	2,071	2,103	910
Fire	3,160	1,994	1,215	589	5,280
Statutory	90	1,976	2,281	729	2,220
Engineering	225	2,914	3,036	783	3,576
Total	3,645	7,436	8,603	4,203	11,985
Total Backlog Maintenance (£000's)			£23,886		
Total Risk Adjusted Backlog Maintenance (£000's)			£11,985		

Table Two – Illustration of the NHS Land and Property Appraisal Model

Physical Condition	Sub Facet Areas	Last Reviewed	Current Status Royal Bolton Hospital Premises	Current Overall Status Community Premises	Performance 2018 All Trust Premises
A - As new (Built within the past two years) and expected to perform adequately over its expected life cycle:	Building	April / May 2013	B and C	B	B
B - Sound operationally safe and exhibits only minor deterioration:	Mechanical	April / May 2013	B, C and D	B	B
C - Operational but major repair or replacement needed will be needed soon, that is within three years for building elements and one year for engineering elements:	Electrical	April / May 2013	B and C	B	B
D- Runs a Serious Risk of imminent breakdown:					
Functional Suitability					
A – Very satisfactory no change needed:	Internal Space Relationships	Currently Not Surveyed	Information not available	Information not available	A / B
B - Satisfactory only minor change needed:	Support Facilities (Adequate Toilets / bathrooms / storage):	Currently Not Surveyed	Information not available	Information not available	A / B
C- Not satisfactory Major change needed:	Location (Distanced linked to key facilities Car Parking /Transport / Passenger Lifts):	Currently Not Surveyed	Information not available	Information not available	A / B
D- Unacceptable in its present state.					
X – Supplementary rating added to C or D to indicate that nothing but a total rebuild or relocation will suffice					

Table Two – Illustration of the NHS Land and Property Appraisal Model

Space Utilisation					
E – Empty or grossly under used at all times:	Current Use	Currently Not Surveyed	Information not available	Limited Information Bolton One (E) Brightmet (E)	A / B
U – Under Used Generally under used ; utilisation could be significantly increased:	Use over time	Currently Not Surveyed	Information not available	Limited Information Bolton One (E) Brightmet (E)	A / B
F – Fully Used a satisfactory level of utilisation:	Guidance	Currently Not Surveyed	Information not available	Information not available	A / B
O – Overcrowded, overloaded and facilities generally over stretched:					
Quality					
A – a Facility of Excellent Quality;	Amenity (Function)	Limited data from PLACE and Inspections (PLACE May 2013) Royal Bolton Hospital site only	Limited Information but indication of Rating B / C	Information not available	A / B
B – a facility requiring general maintenance investment only;	Comfort Engineering	Estates Information regarding Reactive Maintenance	Data regarding Comfort Engineering Rating in the Range of B/C/D	Information not available	A / B
C- a less than acceptable facility requiring capital investment;	Design (Appearance)	Limited data from PLACE and Inspections (PLACE May 2013) Royal Bolton Hospital site only	Limited Information - Indication of Rating B / C	Information not available	A / B
D- a very poor facility requiring significant capital investment or replacement; X – Supplementary rating added to C or D to indicate that nothing but a total rebuild or relocation will suffice					

Table Two – Illustration of the NHS Land and Property Appraisal Model

Statutory Requirements					
A – Building Complies with all statutory requirements and relevant guidance	Fire	April / May 2013	B and C	B	B
B – building where action will be needed in the current plan period to comply with relevant guidance and statutory requirements	Health and Safety	April / May 2013	B and C	B	B
C – building with known contraventions of one or more standards which falls short of B					
D- building areas which are dangerously below B standard (for example that have been subject to external inspections)					
X – Supplementary rating added to C or D to indicate that nothing but a total rebuild or relocation will suffice					
Environmental Management					
A – 35 to 55 GJ per 100 cubic metres;	Energy Performance	HM Government Display Energy Certificate	C / D	B	B
B – 56 to 65 GJ per 100 cubic metres;					
C – 66 to 75 GJ per 100 cubic metres;					
D- 76 to 100 GJ per 100 cubic metres;					
X – Supplementary rating added to C or D to indicate that nothing but a total rebuild or relocation will suffice					
Backlog Maintenance	Total Backlog Maintenance	April / May 2013	£24m	-	£10m
	Risk Adjusted Backlog Maintenance	April / May 2013	£11.8M	-	0

Table Two – Illustration of the NHS Land and Property Appraisal Model

Planned Maintenance (15 Critical Systems)	Water Safety	June 2013	< 80%	< 80%	> 95%
	Fire Safety	September 2013	< 90%	< 90%	> 95%
	Electricity	September 2013	< 80%	< 80%	> 95%
	Air Conditioning and Ventilation	September 2013	< 80%	< 80%	> 95%
	Decontamination Equipment				> 95%
	Pressure Systems				> 95%

Table Three – Illustration of Proposed Relocation of Services to Rationalise Royal Bolton Hospital Estate.

Current Service	Current Location	Proposed Future Location	
Skin Services	Royal Bolton Hospital And Water Meeting Health Centre	Lever Chambers Health Centre First Floor	Centralisation of Skin Services to town centre location.
CAMHS Unit	Royal Bolton Hospital South East Sector	Brightmet Health Centre	Release of Land (Royal Bolton Hospital South East Sector)
Minerva Day Centre	Royal Bolton Hospital South East Sector	Bolton One	Release of Land (Royal Bolton Hospital South East Sector)
Education Centre	Royal Bolton Hospital South East Sector	Relocated Centrally on Royal Bolton Hospital Site	Release of Land (Royal Bolton Hospital South East Sector)
Bolton Sexual Health	N Block	Bolton One	N Block to be used for Support Services Accommodation
Therapies	N Block	Bolton One	N Block to be used for Support Services Accommodation
Finance	Dowling House	First Floor N Block	Release of Land (Royal Bolton Hospital South East Sector)
Computer Services	Dowling House + Data Centre One	Ground Floor N Block	Release of Land (Royal Bolton Hospital South East Sector)
Children's Out Patients	Children's Outpatients RBH and Halliwell Children's Centre	Brightmet Health Centre	Demolition of surplus accommodation to facilitate future Visitors car parking following south east sector land sale.
Security	Lodge House	Shawcross House Royal Bolton Hospital	Demolition of surplus accommodation to facilitate future Visitors car parking following south east sector land sale.
Laundry Receipt and Distribution	Laundry Building	Porters Receipt and Distribution	Demolition of surplus accommodation to facilitate future staff car parking following south east sector land sale.
Social Services	Print Building	Accommodation Block Three	Demolition of surplus accommodation to facilitate future staff car parking following south east sector land sale.

Current Service	Current Location	Proposed Future Location	
Estates Services including Fire and Safety Department	Shawcross House / Davenport House	Silverhill Centre (N Block)	Demolition of surplus accommodation to facilitate future visitors car parking following south east sector land sale. Shawcross House being used to accommodate security/ transport and Central Stores
ISS Facilities	Porters Receipt and Distribution D Block and Office Accommodation B Quarters	Accommodation Block Three	Allow relocation of Education Centre onto Main Spine of Hospital
Medical Secretaries / Physiotherapy Office Accomodation	B Quarters	Musgrave House (Under Utilised Space)	Allow relocation of Education Centre onto Main Spine of Hospital

Appendix One – Illustration of the proposed Land Disposal of the South East Sector of Royal Bolton Hospital site

