

**Date:** Wednesday 12 March 2003  
**Venue:** Committee Rooms 3 & 4, National Assembly for Wales  
**Title:** The Estate of the National Health Service in Wales

### **Purpose**

1. The HSSC has requested a consideration of the NHS Estate in Wales. This paper is in response to that request; the Committee is asked to note its contents as a basis for discussion at the session on 12<sup>th</sup> March 2003.

### **Summary / Recommendations**

2. The paper is being presented at the request of the Committee. It gives details of the current estate and measures which have or will be taken to improve management. The overall goal is to enable the Estate to be able to support the NHS in Wales as it develops a modern, flexible and accessible service for the people of Wales.

### **Background**

3. Since the inception of the NHS the planning, provision and management of health buildings has been a shared responsibility between central and local NHS bodies.

4. The 1990's saw significant change for the NHS Estate and for the professional and technical support staff responsible for its maintenance and development. Until 1993 the estates function was discharged largely through WHCSA (Welsh Health common Services Authority) and 9 District Works Offices. Between 1993-95 the DWO's were dismantled and in 1996 WHCSA was privatised. The responsibility for the estate function initially transferred to 26 NHS Trusts in Wales and following a Trust reconfiguration in 1998 reduced to 15.

### **ESTATE PROFILE**

5. The NHS occupies approximately 1150 hectares of land and owns over 130 hospitals, 250 health centres and clinics, 50 mental health units, 100 ambulance stations and 150 miscellaneous properties such as offices, houses and warehouses. In addition it directly funds the provision of other health buildings, particular in primary care, such as GP premises.

6. Many of the challenges currently facing the NHS estate are attributable to its age. Approximately 50% of NHS hospitals are over 25 years old and one third over 50 years old. With regard to the primary care estate, particular problems are experienced in terms of functional suitability, space utilisation

and statutory compliance. This reflects the fact that 40% of its properties are residential conversions.

7. Further details of the condition of the hospital estate are attached as Appendix A.

## **Consideration - THE WAY FORWARD**

### **The National Estates Strategic Framework**

8. Since the formation of the National Assembly for Wales in 1999 the NHS Estate and the way in which it is managed has been the subject of intense scrutiny and debate. Underpinning these discussions have been three reports by the National Audit Office into the management and performance of the NHS Estate and these reports together with other work by the Assembly's NHS Wales Department and the Service led to the production of the National Estates Strategic Framework in October 2002.

9. The Framework is an important step in achieving the Welsh Assembly's Government vision to develop accessible, modern, comfortable and adaptable environments where patient care can be delivered safely and efficiently. It sets out 45 key actions required of NHS property holding bodies, the NHS Wales Department and Welsh Health Estates. Details of these actions can be found at Appendix B.

10. The actions include the establishment of an Estates Development Board, a Capital Investment Panel.

### **Performance Management**

11. A comprehensive Estates and Facilities Performance Management System (EFPMS) for the NHS in Wales was introduced in April 2002. The EFPMS was developed in partnership between the NHS Wales Department and the Service and is managed by Welsh Health Estates. The database monitors progress against the National Estates Performance indicators and helps NHS Trusts benchmark their own performance.

### **Capital Investment**

12. The NHS Plan (Wales) signalled the Assembly's commitment to increase the centrally funded capital programme. In "Improving Health in Wales" Ministers committed the Assembly to fund the capital programme to £47m per annum from 2002/2003. This was achieved and surpassed by a number of Ministerial announcements relating to scheme specific funding. These commitments have allowed a number of much needed schemes to proceed and the on-going capital programme covers 36 schemes with a combined capital cost of £452m. Of that sum, some £81m will be spent to 31<sup>st</sup> March 2003 and Trusts are currently forecasting spending £89m in 2003-04.

13. The re-establishment of the centrally funded capital programme is an encouraging development, however capital investment levels are still insufficient to meet the demands for a modern, effective health estate and it is estimated that the demand for capital investment in the NHS in Wales is between £1.65-£1.75 billion over the next decade or approximately £170 million per annum.

### **All Wales Capital Equipment Renewal Programme**

14. Over the last 2 years the Assembly has provided funding to support Trust's life saving equipment renewal programmes. Initially the replacement of 2 MRI and 6 CT scanners were targeted totalling nearly £7m. Subsequently 2 further MRI's and 2 CT scanners have been replaced as well as significant other diagnostic and medical equipment from a £40m allocation in 2001-02. This financial year this has been extended to other diagnostic imaging equipment with the allocation of £8m focussed on replacing mammography and ultrasound systems and gamma cameras.

15. In addition £4m has been allocated towards the provision of 2 diagnostic cardiology/catheter and angiography suites. This allocation is to be complemented by New Opportunities Fund (NOF) funding of £5m towards the provision of angiography equipment/facilities in NHS Trusts in Wales. Further details are provided in Appendix C.

### **Disposals and acquisitions**

16. Whilst the NHS Estate has reduced by over a quarter since 1990 there are currently still over 60 operational properties deemed to have a health use of less than 5 years. The decommissioning of these properties is often dependant on new facilities being developed to allow patients to transfer before sale.

17. The NHS Wales Department introduced new arrangements in April 2002 for the disposal of these properties with the introduction of a dedicated team of estate professionals in Welsh Health Estates. Early indications suggest that the new arrangements are already beginning to improve the NHS's performance in this area. All major disposals are proceeding to programme as detailed in Appendix D.

### **Primary Care**

18. The Assembly's Primary Care Strategy - the Future of Primary Care - recognised the importance of high quality premises as critical to the delivery of high quality services. The Assembly will be working with Local Health Boards (LHBs) to develop improvements to the primary care estate and have charged LHBs with taking the lead in addressing these issues locally. An initial target of April 2004 has been set for LHBs to develop primary care estate strategies, and Welsh Health Estates, working in partnership with Rhondda Cynon Taf LHB, has developed a pathfinder primary care estates strategy. The lessons learnt from this will be disseminated to the Service.

19. The Assembly is also supporting LHBs and practices in facilitating new developments by giving them increased flexibility in the provisions of the GP contract to reimburse practices, and providing over £4million to support these flexibilities. Proposals for Primary Care Resource Centres in the Gwent Valleys and Flintshire will also be supported by the Assembly."

### **Financial Implications**

20. Not applicable as a direct result of this paper. This is to inform and update on developments within the management of the NHS Estate in Wales

### **Action for Subject Committee**

21. The Committee is requested to note the progress being made in developing management of the NHS Estate in Wales.

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## **Appendix A**

**See attached Acrobat reader file extracted  
from the Estate Condition and Performance  
Report 2001-02 published by Welsh Health Estates  
in January 2003**

## Appendix B - Summary of Key Actions and Targets From the National Estates Strategic Framework

This table collates the key actions identified within the NESF document:

Action	Responsibility	Target Date
<b>LEADERSHIP AND DIRECTION</b>		
<ul style="list-style-type: none"> <li>▪ An Estate Development Board will be created to provide a recognised and authoritative forum for estate issues.</li> </ul>	Welsh Assembly	September 2002
<ul style="list-style-type: none"> <li>▪ A Capital Investment Panel will be established to assist in the approval of business cases.</li> </ul>	Welsh Assembly	April 2003
<ul style="list-style-type: none"> <li>▪ A review will be undertaken of the capital investment approval mechanism and the criteria applied for the NHS in Wales.</li> </ul>	Welsh Assembly	December 2002
<ul style="list-style-type: none"> <li>▪ Annual Strategic Reviews with property-holding NHS bodies will be introduced.</li> </ul>	Welsh Assembly	November 2002
<ul style="list-style-type: none"> <li>▪ NHS Boards will receive estate performance reports at regular intervals.</li> </ul>	NHS Trusts	On-going
<ul style="list-style-type: none"> <li>▪ A rolling programme for the review of all estates guidance will be instigated.</li> </ul>	Welsh Assembly	August 2002
<ul style="list-style-type: none"> <li>▪ The Estate Management Policy will be revised and reissued.</li> </ul>	Welsh Assembly	September 2002

Action	Responsibility	Target Date
<ul style="list-style-type: none"> <li>▪ Policy statements dealing with Capital Procurement and Design, Property Management and Environmental Management will be developed.</li> </ul>	Welsh Assembly	December 2002
<ul style="list-style-type: none"> <li>▪ Links will be established with the Design Commission for Wales to help promote quality design in the NHS.</li> </ul>	Welsh Assembly	August 2002
<ul style="list-style-type: none"> <li>▪ Estatecode will be revised and reissued.</li> </ul>	Welsh Assembly	August 2003
<ul style="list-style-type: none"> <li>▪ The Capital Investment Manual will be revised and reissued.</li> </ul>	Welsh Assembly	December 2003
<ul style="list-style-type: none"> <li>▪ The introduction of environmental awards will be considered.</li> </ul>	Welsh Assembly	April 2003
<b>IMPROVING PERFORMANCE</b>		
<ul style="list-style-type: none"> <li>▪ The Estates and Facilities Performance Management System will be utilized to identify the weaknesses in the estate and put in place resources and systems to address shortcomings</li> </ul>	Welsh Assembly	On-going
<ul style="list-style-type: none"> <li>▪ The Estates and Facilities Performance Management System will be used to benchmark performance.</li> </ul>	NHS Trusts	On-going
<ul style="list-style-type: none"> <li>▪ National Targets based on the Estatecode five facets survey relating to the Essential estate will be required to be met.</li> </ul>	NHS Trusts	As schedule on page 28
<ul style="list-style-type: none"> <li>▪ Further Performance Indicators will be developed which reflect national priorities.</li> </ul>	Welsh Assembly	On-going

Action	Responsibility	Target Date
<ul style="list-style-type: none"> <li>▪ Trusts will develop their own performance targets.</li> </ul>	NHS Trusts	On-going
<ul style="list-style-type: none"> <li>▪ Trusts will report the results of their analysis of their estate performance to their executive Boards at least annually.</li> </ul>	NHS Trusts	Annually
<ul style="list-style-type: none"> <li>▪ A Quality Environment Performance Indicator will be introduced.</li> </ul>	Welsh Assembly	April 2003
<ul style="list-style-type: none"> <li>▪ Performance indicators for the Primary care estate will be introduced commencing with a Premises indicator for GP premises.</li> </ul>	Welsh Assembly	April 2003
<b>INNOVATION AND BEST PRACTICE</b>		
<ul style="list-style-type: none"> <li>▪ Healthcare bodies must ensure that all building projects include design champions within the commissioning, design and provider teams.</li> </ul>	Healthcare bodies	On-going
<ul style="list-style-type: none"> <li>▪ Guidance on design quality will be developed and disseminated.</li> </ul>	Welsh Health Estates	June 2003
<ul style="list-style-type: none"> <li>▪ The development of a Health Estate Quality Panel to oversee the quality of architectural design in healthcare buildings in Wales will be investigated.</li> </ul>	Welsh Health Estates	April 2003
<ul style="list-style-type: none"> <li>▪ Links with the Design Commission for Wales will be established.</li> </ul>	Welsh Health Estates	December 2002
<ul style="list-style-type: none"> <li>▪ Healthcare bodies are encouraged to actively engage with other organizations to share best practice.</li> </ul>	Healthcare Bodies	On-going



Action	Responsibility	Target Date
<ul style="list-style-type: none"> <li>▪ The introduction of health estate awards in recognition of innovation and best practice will be considered.</li> </ul>	Welsh Assembly	April 2003
<ul style="list-style-type: none"> <li>▪ Post Project Evaluations of all capital projects will be carried out.</li> </ul>	NHS Trusts	On-going
<ul style="list-style-type: none"> <li>▪ A record of all Post Project Evaluations will be maintained and disseminated to the Service.</li> </ul>	Welsh Health Estates	On-going
<b>TRAINING, DEVELOPMENT AND RECRUITMENT</b>		
<ul style="list-style-type: none"> <li>▪ A series of training events and workshops directed at executive officers responsible for asset management within the NHS will be implemented.</li> </ul>	Welsh Assembly	November 2002
<ul style="list-style-type: none"> <li>▪ A working group will be established to consider how best to provide the specialist support functions required by the NHS.</li> </ul>	Welsh Assembly	September 2002
<ul style="list-style-type: none"> <li>▪ A primary care estate support service will be established at Welsh Health Estates.</li> </ul>	Welsh Health Estates	September 2002
<ul style="list-style-type: none"> <li>▪ The appropriateness of general management training for senior estates and facilities managers will be assessed.</li> </ul>	NHS Trusts	April 2003
<ul style="list-style-type: none"> <li>▪ Support for Estate Managers wishing to study for a further qualification in healthcare estates or engineering will be considered.</li> </ul>	Welsh Assembly	April 2003

Action	Responsibility	Target Date
<ul style="list-style-type: none"> <li>▪ The need for accreditation for Project Directors of capital schemes will be assessed.</li> </ul>	Welsh Assembly	April 2003
<ul style="list-style-type: none"> <li>▪ Training for estates officers in life cycle costs and the development of a life cycle cost advice facility within Welsh Health Estates will be commissioned.</li> </ul>	Welsh Assembly	December 2002
<ul style="list-style-type: none"> <li>▪ A series of training events will be commissioned for NHS Trusts to ensure that estate information is accurate and recorded on a consistent basis.</li> </ul>	Welsh Assembly	February 2003
<ul style="list-style-type: none"> <li>▪ Annual training plans will be developed for estates personnel.</li> </ul>	NHS Trusts	Annually
<ul style="list-style-type: none"> <li>▪ Welsh Health Estates will be required to manage a programme of seminars, workshops and other training events to support the professional and technical needs of the NHS.</li> </ul>	Welsh Health Estates	On-going
<ul style="list-style-type: none"> <li>▪ An estates graduate entry scheme similar to the NHS general management trainee scheme will be introduced.</li> </ul>	Welsh Assembly	April 2003
<b>INVESTMENT IN THE ESTATE</b>		
<ul style="list-style-type: none"> <li>▪ PFI and PPP guidance will be reviewed and, if appropriate, revised and issued.</li> </ul>	Welsh Assembly	March 2003
<ul style="list-style-type: none"> <li>▪ A long-term National Investment Programme will be established for the NHS.</li> </ul>	Welsh Assembly	April 2003

Action	Responsibility	Target Date
<ul style="list-style-type: none"> <li>▪ Additional central funding to the NHS will be committed during each year of the three year CSR commencing 2003/2004.</li> </ul>	Welsh Assembly	Annually
<ul style="list-style-type: none"> <li>▪ Discretionary capital funding to NHS Trusts will be increased during each year of the three year CSR commencing 2003/2004.</li> </ul>	Welsh Assembly	Annually
<ul style="list-style-type: none"> <li>▪ Access to appropriate, trained and qualified staff who will provide specialist assistance in all aspects of capital procurement, particularly in respect of unconventional capital funding such as PFI, will be ensured.</li> </ul>	Welsh Assembly	December 2002
<ul style="list-style-type: none"> <li>▪ Effective facilitation of the promulgation of good practice and active development of the processes necessary to enable the efficient use of resources to support the advantages of joint procurement and partnership will be provided.</li> </ul>	Welsh Assembly	On-going
<ul style="list-style-type: none"> <li>▪ All NHS property owning bodies must demonstrate through their estate strategies that they are actively managing their under-utilised and empty space and have plans in place to release revenue tied-up maintaining these assets.</li> </ul>	NHS Property Owning Bodies	Annually
<ul style="list-style-type: none"> <li>▪ Outline disposal strategies for all non-essential estate will be provided.</li> </ul>	NHS Trusts	December 2002
<ul style="list-style-type: none"> <li>▪ Discretionary capital allocations must be targeted at addressing major capital issues of backlog maintenance.</li> </ul>	NHS Property Owning Bodies	March 2003

### Capital Equipment

- Improving Health in Wales set out a vision for the delivery of healthcare in a modern, clean and well-maintained environment and stated that the replacement of outdated major diagnostic equipment was to be addressed as a first priority.
- During Q4 of 2000/01 (FY) the Welsh Assembly Government commissioned a major review of all diagnostic imaging devices and technology. The report was completed in Q2 2001/02. The report identified approx. £25m - £30m of equipment in NHS Trusts that was nearing, or had exceeded its nominal renewal date (estimated on the Royal College of Radiologists guideline of 7 years)
- In 2001/02 the Minister allocated £40.5m (in year EYF) which was to be utilised by Trusts to, primarily, undertake a major programme of equipment upgrades and replacements. Procurements were co-ordinated centrally and resulted in considerable financial and operational benefits to Trusts and Clinicians. Examples of the capital renewal programme included a combined CT/MRI scanner procurement, replacement of a number of major diagnostic X ray rooms, a substantial number of new ambulances and emergency response vehicles. The programme was completed within budget and agreed timescales.
- In 2002/03 the Minister has made a further £8m available to continue the capital renewal programme which is focussed on the upgrade to diagnostic mammography equipment, ultrasound and gamma camera scanning equipment. The evaluation and selection of suppliers has been completed, framework agreement established and equipment ordered and delivery is awaited.
- A further £4m central capital was made available during 02/03, which will be complemented by NOF funding for the procurement of two major diagnostic cardiology/catheter and Angiography suites.
- Proposals for a sustainable programme of centrally co-ordinated and funded major diagnostic equipment replacements in being considered as part of the review of the SAFF and capital investment planning processes
- Cancer & Coronary Heart Disease - The Welsh Assembly Government has also provided dedicated capital funding for cancer services equipment. In 2001-02, over £1.2m was provided for cancer services equipment. This funded histopathology equipment, diagnostic equipment for cancer, a CT Scanner and a Static MRI Centre. In addition £4.575m capital in total is being provided over 2002-03 and 2003-04; this funding is to be used for a new linear accelerator (linac) and a replacement linac both with associated bunker and works.

## NHS Trust Surplus Properties 2002/03 – 2006/07

TRUST/PROPERTY	DECLARED SURPLUS Yes/No	PLANNED YEAR OF DISPOSAL	AREA (HECTARES)	CURRENT POSITION
<b>BRO MORGANNWG</b>				
Ogmore Vale Clinic	Yes	2002/03	0.11	Sale completed
Maesteg Clinic	Yes	2002/03	0.033	Offers received
Part Groeswen Hospital	No	2002/03	N/K	Dependant on new build scheme to rear of site
264 & 266 Neath Rd Briton Ferry	No	2003/04	0.12	Awaiting residential development on new site
Swan Road Maisonettes, Baglan	No	2003/04	0.054	As above
2-12 Hensol Villas, Hensol	Yes	2003/05		Marketing to commence Feb 2003
<b>CARDIFF &amp; THE VALE</b>				
Sully Hospital	Yes	2002/03	50.6	Offers received
Trenwydd, Llandaff, Cardiff	Yes	2002/03	0.17	Awaiting vacation by Cardiff LHG
Land at Redbrink Cresc Ely Cardiff	Yes	2002/03	0.12	Building demolished – for disposal
Whitchurch Hospital (part)	Yes	N/K	N/K	Linked to redevelopment of the hospital
<b>CARMARTHENSHIRE</b>				
Cross Hands Health Centre	No	2002/07	0.24	Possible sale to GP
Llwynhendy Health Centre	No	2002/07	0.19	Possible sale to GP
Pond Street Clinic, Carmarthen	No	2002/04	0.10	Joint development with GP
<b>CONWY &amp; DENBIGHSHIRE</b>				
Dolgarrog Clinic	Yes	2002/03		Interest from Community Council

**GWENT  
HEALTHCARE**

**Monmouth Hospital &  
Clinic**

No	2004/05	0.37	Linked to OBC for reprovision of services
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**NORTH  
GLAMORGAN**

**Maerdy Hospital**

Yes	2002/03	2.62	Access for development being resolved
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**Bedlinog Clinic**

Yes	2002/03	0.02	Sale completed
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**St Tydfil's Hospital,**

No	2006/07	2.45	Subject to completion of new hospital
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**Merthyr**

**Hollies Health Centre,**

No	2006/07	0.2	As above
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**Merthyr**

**NORTH WEST WALES**

**Land at Llanfair,**

Yes	2002/03	2.08	Under offer
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**Harlech**

Yes	2003/04	0.9	Planning issues to be resolved
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Yes	2003/04	0.4	Suitability for development being explored
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No	2003/04	0.08	Negotiations on reprovision of clinic by developer
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No	2005/06	7.7	Awaiting completion of public consultation
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## Residual Estate Surplus properties

### HEALTH AUTHORITY/PROPERTY

#### PLANNED DISPOSAL YEAR

#### CURRENT POSITION

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#### BRO TAF

Hensol Hospital	2004/2005	Offer agreed -Closure Spring 2004
Lansdowne Hospital (Phase 3)	N/K	Possible continued use for Trust offices
Lansdowne – land for GP surgery	2002/2003	Sale completed

#### DYFED POWYS

St Davids Hospital	2003/2004	Offers being considered - subject to leasing back accommodation
Bryntirion Hospital	2003/2004	Disposal process commenced
Cross Hands - land	2003/2004	For disposal - Access difficulty to resolve

#### GWENT

Llanfrechfa Grange Hospital	N/K	Preparatory disposal work commenced
Larchfield & land Abergavenny	2003/2004	Offers received
Ebbw Vale Hospital	2005/2006	Leased to Trust
15 Lodge Road, Caerleon	2003/2004	For disposal - Tenanted property
Markham Clinic	2002/2003	Offer agreed – proceeding to contracts

#### NORTH WALES

St Davids Hospital Bangor	2001/2002	Sale Completed
Penley Hospital	2003/2004	Offers received
Brynyneuadd Farm/Residences	2003/2004	Planning consent being sought
Lluesty Hospital	2004/2005	Dependant on Business Case approval
Meadowslea Hospital	2003/2004	Disposal process commenced
Dobshill Hospital	2003/2004	Disposal process commenced
Trevalyn Hospital	2003/2004	Offers received
Conwy Hospital	2003/2004	Offers received
Druid Hospital, Llangefni	2002/2003	Sale completed
Brynseiont Hospital	2005/2006	Leased to Trust
7/9 Abbey Road Bangor	2002/2003	Possible transfer to Gwynedd C. Council

Cefni Land,Llangefni  
Gwynfryn, Denbigh  
Holywell – Land at The Beeches

2003/2004  
2003/2004  
2003/2004

Possible joint Ambulance/Police development  
Required for Education/Charitable Trust  
Disposal process commenced – planning application being submitted

**Completed Residual Estate Disposals  
2002/03  
DV Valuation Estimate**

**£1.6 million  
£1.6 million**

**Offers received  
DV Valuation Estimate**

**£16.0 million  
£11.0 million**