

National Audit Office Report

Managing the Estate of the National Health Service

Response of the North West Wales NHS Trust

1.0 Background

The North West Wales NHS Trust came into being as at 1st April 1999 from the merger of the former Gwynedd Community Health Trust and the Gwynedd Hospitals NHS Trust. The Trust employs approximately 4500 staff and has a budgeted income of £43 million for 2001- 2002.

A priority for the new Board was to maintain the same high level of services as the predecessor Trusts. At the same time there was the need to put in place structures and staffing to enable a smooth transition to a single Trust culture with unified standards and objectives.

The Trust's success in maintaining high levels of service is demonstrated by our achievement of the National Assembly's four key targets for performance with regard to:

- waiting lists,
- waiting times for outpatient consultations,
- inpatient treatments, and
- day case treatments.

Our performance is recognised as being amongst the best in Wales. The sound managerial systems and procedures that have been put in place are also reflected in the achievement, by the Trust, of:

- all financial targets,
- target savings on integration,
- sound management of emergency pressures

The Trust's good progress to date is often mentioned in District Audit reports and their

annual letter to the Board.

Despite these achievements the Trust remains mindful of the need for ongoing development and recognises the positive contribution that monitoring plays in achieving progress. The Trust, therefore, welcomed the opportunity to be one of the seven trusts visited as part of the National Audit Office (NAO) review *Managing the Estate of the National Health Service in Wales* and subsequent participation in the Focus Groups.

As at 31st March 2001 the North West Wales NHS Trust was responsible for managing land and buildings valued at £84 million. The estate comprises

sixty two hospitals, health centres, ambulance stations etc and extends across 1500 square miles. In line with the management responsibility required by such a large asset the Trust appointed a Director of Estates and Facilities who reports directly to the Chief Executive. In his first year the Director put in place a structure, standards and objectives to provide a cohesive trust-wide service peopled by appropriate, suitably qualified staff.

2.0 Audit Findings

Though not trust specific the report by the NAO provides a useful measure against which Trusts can compare their estate management performance with both best practice and, equally importantly, other health bodies. The North West Wales Trust has done this in a number of areas including the following:

- strategic management of the estate
- information for assessing estate management performance
- general management e.g. property tenure
- performance of the estate including:
 - statutory condition
 - physical condition (including backlog maintenance)
 - functional suitability

- utilisation
- energy performance.

The results for the Trust are mixed. There are areas where examples of good practice need to be considered together with a pleasing number where the Trust performs well. As with all audit reports the findings refer to a point in the past so in the rest of this document the above areas will be considered in relation to the findings of the report updated to reflect current practice within the Trust.

3.0 Strategic management of the estate

A guidance document on developing an estate strategy was issued to trusts in Wales in March 2001 followed by workshops in May and June of that year. As at September 2001, the comparative date selected by NAO, the Trust was one of fifteen health bodies in Wales that were in the process of developing their estate strategy.

In December 2001 the Trust's approved strategy was forwarded to the National Assembly meeting the target submission date.

The strategy document sets out the medium term (2001-2006) strategic estate needs and changes to enable the Trust to meet key objectives to:

- deliver its clinical services in a safe, secure and appropriate environment
- provide a plan for change
- provide a strategic context for developing capital investment plans
- demonstrate that the Trust has positive plans to improve services and facilities

The last point starts to develop the links between estate development and health care service strategies. This is a key factor in making sure that the estate is defined by the needs of people for health care services which is one of the aims of the Assembly's estate management policy

Additionally, the strategy document incorporates further good practice by identifying a series of targets in terms of key estate performance indicators that will help the Trust to monitor progress towards the achievement of its key objectives.

4.0 Information for assessing estate management performance

The Trust (and its predecessors) have a strong background of benchmarking and have been members of the Healthcare Facilities Consortium Benchmarking System since 1996. Performance data for the Estates and Facilities functions have been produced for the last seven years and benchmarked against the Estates Returns Information Collection (ERIC) performance monitoring data produced in England. It is pleasing to note that the use of ERIC is to be introduced in Wales from April 2002.

The Trust is supportive of the introduction of a performance management system into the NHS in Wales and has been actively involved on the Estates Performance Management System Implementation Team together with representatives from Welsh Health Estates and the National Assembly.

An area that the Trust is seeking to develop is the effective in house reporting of the comparative data that is available. In line with other Trusts in Wales current reporting needs to be regularised.

5.0 General management

The Trust employs Buildings and Property Officer who has particular responsibility for the management of all property matters. This includes landlord tenant relationships, rental income, property valuations, tenure etc. In addition the Property Office is responsible for the active management of the Trust's centralised deeds and property related document register. The Trust was one of only two of the trusts visited that had a system in place to actively manage their ownership records.

In order to safeguard its rights the Trust has put in place licence agreements with General Practices. These are operational both where the Trust is the tenant in a GP's building and also where GP's are tenants in Trust premises. The Trust has leases in place to control other landlord tenant relationships.

6.0 Performance of the Estate

The North West Wales Trust is acutely aware of its responsibility with regard to maintaining an estate which is suitable for purpose and safe. Due to competing demands for revenue and capital resources the Trust, in line with all other health bodies has had to make hard decisions and prioritise the work it has carried out. With each body making its own choices differentials in the achieved standards arise and these are clearly seen from the comparisons shown in the report.

In North West Wales we have fully acknowledged our legal obligations to comply with statutory conditions and Firecode work. The Trust made this area its first priority followed by the physical condition of the building. These priorities are clearly reflected in the standards that we have achieved, as is the emphasis we have placed on energy management.

6.1 Statutory condition.

The Trust has surveyed the whole of its estate for the purpose of statutory condition and reported a compliance rate of 78% meeting condition standards A and B. This compared with the reported average compliance rate to this standard of 45%. The Trust has since improved its performance and now has a compliance rate of 81% with the remaining 19% in category C.

Much of this excellent performance results from a heavy investment in Firecode work. Over the past six years the Trust and its predecessors have spent £3.7 million on Firecode work with further planned investment of £1.8 million. It is expected that the estate, with minor exceptions, will be fully compliant (present standards) by April 2003. The exceptions are those sites planned for closure or reduced usage.

As standards continue to evolve the need to keep the situation under review is recognised and the Trust currently has planned property reviews covering the following areas:

- **Disability Discrimination Act.**

Assessment of access facilities and site services

Due date: Initial Survey and assessment March 2002

- Environmental Survey

Assessment of current systems, practices and facilities.

Due Date: Survey and report by March 2002

- **Water Systems and control of Legionella**
- **Asbestos Registers**
- **Electrical systems**

6.2 Physical Condition

Maintaining the physical condition of the estate poses a significant challenge. The report shows that the physical condition of the Trust's estate is in line with the average for all trusts in Wales. This was based on a reported 82% surveyed (average 77%) which has now been improved to all of the estate being fully surveyed. The Trust also has in place procedures to continuously update the information as work is carried out or problems are identified.

The current investment required to bring the Trust estate physical condition to grade B is estimated at £14.6 million which, although significant, is in the middle range for trusts. A large proportion of this sum can be attributed to copper pipe corrosion in the hot and cold water system at Ysbyty Gwynedd. The nature of the problem and the fact that it is widespread throughout the hospital mean that it will be necessary to provide decant facilities in order to carry out remedial work. The total cost to rectify the problem is estimated at £8-10 million for which funding is being sought from the National Assembly.

Setting aside the copper piping, the general backlog maintenance problem is being dealt

with by a combination of hospital replacement, upgrades and specific capital investment. However, with general financial pressures, developing statutory compliance issues and the increasingly heavy use of facilities it is difficult to ensure that the level of expenditure on building maintenance is sufficient to prevent the gradual deterioration of the buildings stock. However, the Trust will continue to review its priorities and allocate funding appropriately.

6.3 Functional Suitability

The last total survey of the Trust's properties for functional suitability was carried out in 1993. Since that time much upgrade work and development has been carried out including:

- the building of a new community hospital,
- replacement of the old maternity hospital by facilities on the main hospital site, and
- provision of a medium secure unit

The original survey work has been updated as changes have taken place. However, the Trust recognises the value of an up to date functional suitability analysis and its importance for informing planning of the estate and achieving the strategic objective of delivering clinical services in a safe, secure and appropriate environment.

In order to ensure the integrity of its information the Trust plans to commission a functional survey for all hospital sites in 2002-2003. The data gathered from this survey, together with the results of the Disability Discrimination Act work, will be used to review:

- the effectiveness of the estate in supporting the delivery of services
- the plans developed for capital investment to improve the fitness for purpose of the estate

6.4 Estate Utilisation

Space utilisation surveys carried out by the Trust have identified a number of areas of under-utilised space that the Trust has been able to put to better use.

As an example we are currently consulting the public on plans to review the services at

Bryn Beryl Hospital and Ala Road clinic in Pwllheli neither of which adequately fulfils local health needs at the moment.

The proposed plans which are based on, identified local need and are in line with the North Wales Health Improvement Plan and the Health Authority and Trust Operational plans will:

- Enable the provision of all core Community Hospital services for the residents of the Pwllheli area,
- Develop a new x-ray unit at Bryn Beryl Hospital,
- Preserve the availability of, and access to, outpatient treatment services at a central location in Pwllheli,
- Support the strategic aim of improvement in waiting times for all Trust patients by increasing the capacity for Consultant Outpatient Clinics held in community settings,
- Offer greater opportunities to develop the use of telemedicine to support care and treatment.

The latest utilisation survey for the Trust shows the following results:

Category	Description	NWWales*	Av.per report*
1	Empty	1	3
2	Underused	15	20
3	Adequate	76	67
4	Overcrowded	8	10

* Percentage of the surveyed estate.

The majority of the underused and empty space in the Trust relates to the Bryn-y-Neuadd site that houses the Learning Disability Residence. The residents are being progressively resettled into the community as part of a six-year programme. Clearly the resettlement affects the way in which the site can be used in the intervening period but will ultimately lead to services being consolidated in the core of the site and the residual site being considered for disposal.

6.5 Energy Performance

The Trust regularly monitors and reviews the performance of the estate with regards to energy and water usage. This process is facilitated by the use of energy monitoring and targeting software called TEAM.

The Trust's current performance indicator is 61GJ per 100 cubic metres which is comfortably within the 55-65 target range set for existing premises. In figures recently published by Welsh Health Estates the Trust is shown to be the second best performing trust in Wales.

However, a further target has been set by Central Government:

- A 15% decrease in primary energy consumption from April 2000 to 2010.

This is required at the same time as a 20% reduction in carbon dioxide emissions and a background of increasing pressure on primary energy reduction due to increasing electricity usage from new technology and cooling systems. It is interesting to note that since 1994-95 there has been a consistent increase in electrical usage effectively reversing the trend of primary energy reduction. Research has shown that much of the increased usage can be linked to the increased use of computers and associated equipment. At the NW Wales Trust we have seen the number of computers in use increase from approximately 300 in 1994 - 95 to currently around 4000.

To meet the primary energy target the Trust will need to reduce its energy consumption to approximately 55GJ per 100 cubic metres. It will do this by a combination of hospital closures and replacements, a review of building systems, and improving and modernising controls and energy sources. Areas for improvement will be identified from energy audits on poorer performing buildings i.e. those in category C.

The Climate Control Levy (CCL) was introduced in April 2001 with a charge being made against each kilowatt-hour of energy used. Electricity generated by combined heat and power (CHP) units lowers the primary energy intake and provided that the CHP unit is validated under the CHP quality assurance programme is exempt from CCL. The CHP unit at the Trust's main hospital site has received such validation.

7.0 The way forward

In those areas where the Trust is already acknowledged as a good performer we will continue to review activities and modify procedures as necessary to stay abreast of statutory and service needs.

In other areas the Trust will seek to develop the management of its estate with particular attention to:

- Commissioning a functional survey for all hospital sites in 2002-2003

- Carrying out the planned surveys in relation to

Disability Discrimination Act

Environment

Water Systems and control of Legionella

Asbestos registers

Electrical systems

- Further strengthening of the links between health care service strategies and estate development
- Improved reporting of available data particularly on an all Wales basis.

The Trust recognises the need to use its valuable estate assets as a dynamic resource and

meeting the targets of Improving Health in Wales by providing:

- quality and suitability of the built environment and support services
- suitable facilities to meet clinical capacity and new models of clinical care
- adequate staff facilities and amenities

To do this we will continue to evolve our Estates Strategy to ensure that it remains service led, supports the objectives of the service and is part of an integrated health strategy.