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| **Property & Asset Management Strategy**  **Interim Update 2019** |
| **Release: Version 1**  **Date: May 2019**  **Author: Gerry Cox, Head of Estates Lily Bryson, Deputy Director of Finance (Governance and Financial Accounting)**  **Executive Sponsor: Julie Carter, Director of Finance** |

**DOCUMENT CONTROL SHEET:**

## *Key Information:*

|  |  |
| --- | --- |
| **Title:** | **Property & Asset Management Strategy – Interim Update 2019** |
| **Date Published/Issued:** |  |
| **Date Effective From:** |  |
| **Version/Issue Number:** | Version 1 |
| **Document Type:** | Discussion Document |
| **Document status:** | Draft |
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| **File Name:** | Property & Asset Management Strategy – Interim Update |

**Revision History:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Version:** | **Date:** | **Summary of Changes:** | **Name:** | **Changes Marked:** |
| 1 | 20/05/19 | Initial Draft | GC | No |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Approvals:** This document requires the following signed approvals.

|  |  |  |
| --- | --- | --- |
| **Name:** | **Date:** | **Version:** |
| Property & Asset Management Steering Group |  |  |
| Senior Management Team |  |  |
| GJF Board |  |  |

**Distribution:**  This document has been distributed to

|  |  |  |
| --- | --- | --- |
| Name: | **Date of Issue:** | **Version:** |
| Director of Finance |  |  |
| Head of Estates |  |  |
| Assistant Director Finance (Governance & Financial Accounting) |  |  |

**Linked Documentation:**

|  |  |
| --- | --- |
| **Document Title:** | **Document File Path:** |
|  |  |

**Equality and Diversity Impact Assessment:**

|  |
| --- |
| Date Completed: |

1. **Introduction**

Following discussions between NHS Boards and Scottish Government Health and Social Care Directorate (SGHSCD), a single integrated Property and Asset Management Strategy (PAMS) document covering all of the National Boards has been proposed, with similar discussions with the regions. In recognition that these new arrangements may take longer to implement, Scottish Government have extended the submission deadline for the full PAMS. This therefore means that an interim update report is required in June 2019 (submission 7th June), with the full PAMS submission required in December 2019.

The letter issued by SGHSCD to Health Boards advising of these changes is included at Appendix A.

Scottish Government has advised that the following points should be addressed in this interim report:

* An update on progress towards developing a regional / integrated PAMS document by the end of the calendar year.
* Changes / improvements to your asset performance (including backlog maintenance) over the last 12 months. This should align with the performance data included within your asset pro-forma returns.
* Progress with any ongoing or new investment projects, particularly highlighting any specific achievements or anticipated benefits.
* As an annex to this report, Boards should also include Strategic Assessments for all investment projects identified within their 5-year investment programme.

Also included in this document is a high level overview of governance arrangements in place in relation to maintenance and estates issues.

A full PAMS covering the period 1 April 2017 to 31 March 2022 was submitted and approved in May 2017. An Interim Update Report was submitted to the Health and Social Care of Scottish Government in June 2018. This report provides a further update on the progress made by the Service in relation to the current PAMS (covering 2017 – 2022).

A full PAMS document will be submitted in December 2019.

1. **Integrated PAMS Document**

The Golden Jubilee Foundation (GJF) will engage in discussions with the National Boards regarding the suitability, format and appropriateness of an integrated PAMS document in meeting individual boards needs and recognising the need for integration.

The GJF understands the benefits of this approach to the development of the Property & Asset Management Strategy.

The GJF currently provides accommodation for NHS 24 (Clyde Contact Centre) and as part of the Board expansion plans, we have requested that NHS24 vacate the current space by March 2020. This is required to provide additional space to support the redevelopment of the site as part of the wider expansion plans. The details of how this space will be utilised will be described in the December fuller document.

Whilst the GJF actively collaborates with other National Boards it is important that, as an acute hospital facility, we also recognise that synergies exist with other acute territorial boards.

1. **Summary of Asset Performance over the last 12 months**

The following table summarises the performance of the current assets utilised by the Service over the past year, with key points noted below:

Number of sites

1

`

102

2018/19

46,386

Less than 2

years old

2-5 years

old

Over 5

years old

2017/18

47,593

2018/19

Up to 10

years

10-29 years

old

30-50 years

old

Over 50 years

old

2017/18

2018/19

0%

100%

0%

0%

2017/18

0%

100%

0%

0%

Owned

Leased

PPP/PFI

Other

2018/19

100%

0%

0%

0%

2017/18

100%

0%

0%

0%

N/A

A

B

C

D

2018/19

21%

74.3%

4.6%

0.08%

Less than 3

years

3-5 years

old

5-7 years

old

Over 7

years old

2017/18

23%

70%

6%

0%

N/A

A

B

C

D

2018/19

85%

5%

10%

0%

2017/18

76%

6%

18%

0%

A

B

C

D

2018/19

84%

6%

10%

0%

2017/18

78%

15%

18%

0%

Empty

Under-

used

Fully Used

Overcrowded

2018/19

0%

0%

100%

0%

2017/18

0%

0%

100%

0%

Net Book Value (£m)

Low Risk

Moderate

Risk

Significant

Risk

High Risk

Less than 3

years

3-5 years

old

5-10 years

old

Over 10

years old

£000

0

2018/19

%

%

%

%

%

2017/18

£000

Total

£000

0

%

%

%

%

%

£000

Total

Low Risk

Moderate

Risk

Significant

Risk

High Risk

Net Book Value (£m)

2018/19

241

395

0

0

Less than 3

years

3-5 years

old

5-10 years

old

Over 10

years old

Total

636

2018/19

2017/18

166

510

0

0

2017/18

Total

676

Backlog Maintenance

(£000)

2017/18

Statutory Compliant Risk

Profiled Backlog Costs

2018/19

Number of Assets

Age

Profile

Space Ranking

Tenure Type

Physical

Condition

Ranking

Functional

Ranking

**Vehicles**

Number of vehicles

Net Book Value (£m)

Age

Profile

**ICT**

2

**Medical Equipment -**

**Defibrillators**

Age

Profile

**Property - Hospital**

Net Book Value (£m)

Floor Area

(Sq.m.)

Age Profile

Number of Assets

Number of assets

Net Book Value (£m)

Age

Profile

Quality

Ranking

1

This is the cumulative figure of owned operational vehicles

and owned staff car scheme fleet

**3.1 Estates**

**Overall GIA of Estate. Explanation of change**

A measure survey of the GJF buildings was carried out in late 2018. The survey concluded that the gross internal area (GIA) of the building was 46,386 sqm, some 1207 sqm less than the previously reported figure of 47,593 sqm. This identified that the previous floor space calculations were in error overstated. This has been rectified in this report.

**Physical Condition**

There are some minor changes to the physical condition of the estate due to areas previously categorised as A’s moving to condition B due to age.(Facilities more that 2 years old)

The small decrease in Condition C is due to continued improvement works being completed during 2018/19

**Functional Ranking/Suitability**

The increase in the condition A ranking and the corresponding reduction in condition B & C rankings is due to continued improvement works being completed during 2018/19.

**Space Utilisation**

The GJF buildings remain fully utilised

**Quality**

The improvements in quality are attributable to improvement works completed during 2018/19.

**Backlog Maintenance**

At 2017/18 the physical condition costs amounted to £676K. The 2018/19 costs have decreased slightly to £636K.

100% of the Golden Jubilee Hospital was surveyed in 2014. In 2019, Quads A & B of the hospital were surveyed through the HFS Phase 10 Property Survey Framework. This area surveyed was 28,160 sqm which equates to 60.7% of the Gross Internal Area of the Golden Jubilee Hospital. Survey data is being uploaded to the Estates and Asset Management System (EAMS) and will be incorporated into the fuller December update.

It is important to note there are no high risk backlog works identified within the estate.

**3.2 Smarter Offices**

In line with the full PAMS submitted in the prior year work continues with regard to the SG Smarter Offices initiative in both our existing expanded Estate. We are also working closely with Health Facilities Scotland and other National Boards in this regard and further work will be described in the December report.

**3.3 Medical Equipment**

The medical equipment plan for the year is discussed and agreed by the Medical Equipment Group, the approvals use a risk based approach to identify the items that will be replaced in the year.

Available capital funds are taken into account when formulating the plan. In addition service developments are also considered.

The equipment associated with the hospital expansion programme is considered separately by the relevant project team and approved by the cost control group for the expansion.

1. **Estates Governance Arrangements**

The following sub-sections provide a high level summary of governance arrangements in relation to estates development, maintenance and property management issues.

4.1 PAMS Group

The Property & Asset Management group (PAMS) takes responsibility for the estates provision and estates strategy development linked to the National Estates Strategic Plan. The primary focus over the next 12 months is to develop a five year estates strategy, building upon the work of the previously constructed master plan.

This group also has responsibility for;

* Allocation of space within the Board
* Development of the estates strategy
* Efficient use of energy
* Delivery of the sustainability action plan and
* The recently established site co-ordination group which has been necessary to establish to coordinate all site based activities including use of mobile units, the impact of the expansion and additional equipment and related infrastructure projects

This group reports to the Board through the Senior Management Team. Updates on the implementation of the Property and Asset Management Strategy are also presented to the Audit and Risk Committee.

Core membership of the group includes is noted below:

| **Role** | **Designation** |
| --- | --- |
| Executive Lead (Chair) | Director of Finance |
| Lead for Energy /Estates work and PAMS | Head of Estates |
| Lead for Sustainability work and PAMS | Assistant Director of Finance (Governance and Financial Accounting) |
| Link to Estates work and Strategy | Director of Operations |
| Link to Sustainability and Estates work | Director of Quality, Innovation and People |
| Link to sustainability action plan | Head of Corporate Affairs |
| Medical equipment link to PAMS | Head of Medical Physics |
| E-Health equipment link to PAMS | Head of e-Health |
| Strategy link to PAMS | Head of Strategy and Performance |
| Nursing link to all areas | Nurse Director |
| Medical Link to all areas | as and when required |
| Regional and National Medicine Link to all areas | Associate Director of Operations |
| Surgical Specialties link to all areas | Associate Director of Operations |
| Link to sustainability action plan | Business Services Manager |
| Link to Energy action plan | Engineering Operations Manager |
| Link to performance management of all aspects of energy | Performance and Improvement Lead |
| Link to sustainability action plan | Head of Procurement |
| Link to staff governance | Employee Director |
| Link to the hotel | Hotel Director |

4.2 Maintenance

A Planned Preventative Maintenance (PPM) annual programme is in place for estates maintenance. This includes, but is not restricted to, the following:

* Mechanical
* Electrical (including fixed electrical and PAT)
* Fire alarms/fire fighting equipment
* IPS & UPS
* Ventilation Systems
* Generators
* Water sampling/testing and monthly temperature testing
* Security Access Systems/CCTV and electronic gates
* Lifts

4.3 Reactive Works

Calls for reactive works are routed through an in-house estate help desk. The purpose of the help desk is to take the calls and pass to the relevant person within the Estates department. Callers are given a unique identifier code which allows them to track progress of repairs

4.4 Minor Capital and Revenue Funded Projects

All minor capital and revenue projects are presented in a mini business case process to the Boards Capital group. This ensures both the funding is secured to support this and investment is in line with the Property and Asset Management Strategy.

4.4 Policies and Procedures

The following provides a non-exhaustive list of policies and procedures in place to support estates management:

* Management of Contractors
* Management of Asbestos
* Safe Working with Electrical Systems
* Water Management Policy
* Confined Spaces
* Permits to Work
* High % Low voltage

1. **Progress on Investment Projects highlighted in the 18/19 PAMS Update**

The following tables detail the progress on projects across our asset base including a summary of key benefits delivered:

5.1 Property Assets

| **Development / Project** | **Summary** | **Key Benefits Anticipated/Delivered** |
| --- | --- | --- |
| Elective Centre Expansion | In June 2017, the Board appointed Kier Construction as Principle Supply Chain Partner (PSCP) to deliver the Hospital Expansion Programme under the HFS Framework Scotland 2 National Procurement framework.  Since then significant progress has been made as follows:-  Phase 1  Phase 1 of the programme is the development of a 2654m2 Ophthalmology facility. The facility will provide six operating theatres, an outpatient department and supporting accommodation.  The Outline Business Case was approved Scottish Government Capital Investment Group in August 2018 and this was followed by approval of the Full Business Case in January 2019 This allowed works commenced on site during January 2019 and these will be completed in May/June 2020.  Phase 2  Phase 2 will provide Orthopaedics, General Surgery, Endoscopy, Outpatients and Pre-Operative Assessment services. The Initial Agreement was approved in September 2018. Development of the Outline Business Case is under way and this will be submitted to Scottish Government Capital Investment Group in July 2019 for approval. The current programme has construction commencing during 2020 with a phased completion of facilities beginning in December 2021. | In line with the Scottish Government Elective Centre expansion plans |
| **Hotel Bedroom Upgrades** | Further to the success of the first two phases of bedroom upgrades approval has been granted to proceed with a proof of concept design for future upgrades. Following on from this we will develop a programme of upgrading 20 rooms per annum over 5 years | Provides improved accommodation for guests  Required to maintain 4 star rating |
| **Fifth Cath Lab** | Work is progressing on the development of a fifth cardiac Catheter lab. The preferred location of the lab requires the re-provision of the existing Respiratory lab and the development of a Cath Lab recovery area. The project details have been reflected in a business case which will be presented for Board approval in June 2019 | To meet future demands for Cath lab services |
| **Water Source Heat Pump proposals** | Progress has been delayed whilst consideration is given to joining the proposed West Dunbartonshire district heating network. Communication with WDC has been difficult particularly with regards to obtaining confirmation that the WDC solution is technically viable.  In the meantime we commissioned a detailed feasibility study into the stand alone option which concluded that the project is both economically and financially viable.  An Initial Agreement is being produced with a view to proceeding with the stand alone option. Subject to approval being granted a detailed business | To reduce carbon footprint of the GJF  Increase energy efficiency |

5.3 Information Management & Technology (IM&T) Assets

Not required in the 18/19 PAMS update, however all IM&T investment within the board is overseen by the e-health Steering Group.

5.4 Medical Equipment

|  |  |  |
| --- | --- | --- |
| **Development / Project** | **Summary** | **Key Benefits Anticipated/Delivered** |
| CT Scanner and recovery area | The new CT Scanner and Recovery space was delivered two weeks ahead of programme in February 2019. | Provides an improved experience for patients using the services Allows for a substantial increase in throughput |
| MR2 | Planned replacement of the primary Cardiac MRI Scanner. As part of the fabric upgrade a new cage was fitted |  |

1. **Planned Investment Projects**

6.1 Anticipated Projects

The Service’s five year investment plan contains the following investment projects:

| **Asset** | **Development / Project** | **Description** |
| --- | --- | --- |
| **CT1** | Upgrade CT1 and associated accommodation | Replace the scanner. Upgrade fabric and M&E infrastructure |
| **CL 1 & 3** | Upgrade CL’s 1 & 3 and associated accommodation | Replace Cath lab and associated equipment. Upgrade fabric and M&E infrastructure |
| **Cath Lab Day Unit** | Redesign of existing Cath Lab Day Unit | Redesign to improve patient flow and improve quality of accommodation |
| **Lift life Cycle replacements** | Replacement of hospital lifts | Phased life cycle replacement of existing patient bed and passenger lifts over a four year period |
| **Expansion works** | Internal refurbishment | Various refurbishment projects in connection with the ongoing expansion of the estate |
| **Car Parking** | Increased provision | Working with WDC to ascertain what options are available to increase parking provision on site |

6.2 Anticipated Capital Receipts

None anticipated.

1. **Conclusion**

This summary document describes how the Service’s investment plans continue to be developed to ensure future asset requirements are led by strategic objectives and deliver best value for money.

Appendix A: State of the NHSScotland Assets and Facilities Report 2019 (SAFR 2019) – Submission Requirements





Appendix B: Strategic Assessment – Replacement of Medical equipment

Appendix C: Strategic Assessment – planned refurbishment works