

Estate Strategy 2010 –2015 - Briefing Paper

Introduction

1. The purpose of this briefing paper is to present the Estate Strategy to the Trust Board for approval. The document has been compiled in line with the national Estate Strategy guidance developed by the Department of Health's Estate and Facilities Directorate.

Background

2. The Trust has had a number of Estate Strategies over the last ten years, the last one of which was approved in October 2008. This strategy builds on the 2008 document and refines and refreshes the content in order to meet the guidance. In addition to redrafting to comply with the national template a considerable amount of detailed work has been progressed in order to understand the condition of the existing estate and action plans developed to ensure that high-risk areas are tackled quickly.
3. When the revised strategy has been written in concert with the Integrated Business Plan (IBP) and the Long Term Financial Model (LTFM) in order to ensure the backlog maintenance plan is embed within the Trust's overall assumptions regarding future capital and revenue investment.
4. As mentioned previously the layout of the document is mandated nationally, to this end this Estates Strategy sets out:
 - our current position (where we are now),
 - our vision (where we want to be) and finally
 - our strategy (how we get there).

Key Issues

5. Where we are now:

- Backlog Maintenance

The Trust carried out a refresh of the 6 Facet condition survey during the summer 2009, this revealed that many buildings and the associated infrastructure are in a poor condition, requiring substantial investment in the order of £66.36m to repair, or to upgrade them to the required condition "B" standard. Figure 1 below shows that the Watford and St Albans sites have the greatest quantum of backlog. The recent reconfiguration project at Hemel has significantly reduced the quantum at Hemel Hempstead. Had the reconfiguration of the site not occurred, the level backlog would have been considerably higher.

Considering the scale of the backlog maintenance, it would take approximately 15 years to eradicate all backlog. Clearly this is not feasible so a detailed 5 year investment plan (Appendix 4.0) has been developed which takes into account the available financial and human resources and the level of distribution the operating hospitals could accommodate. This has been fed into the LTFM presently being prepared in support of our Foundation Trust (FT) application.

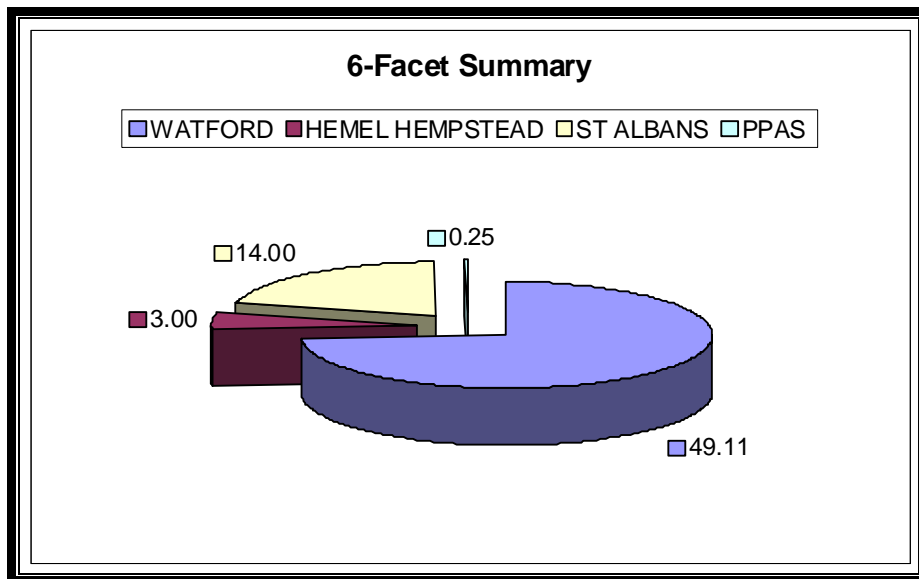


Figure 1 : Backlog Maintenance Summary all Site

- Estate Performance

The Trust is required to submit Estate Returns Information Collection (ERIC) on a yearly basis and both 2007/08 and 2008/09 data shows a number of key performance indicators that fall considerably outside the targets set by the Department of Health's Estates and Facilities Directorate. To date this information has been collected and submitted as part of the national return but not used to actually target resources in order to improve the Trust's overall Estate performance. However, this will change over the next 5 years as this performance data along with the condition survey information will be used to target resources and action. Each year the Estates Plan will address what level of improvement will be targeted of each area.

An example of these indicators is shown below in figure 2.

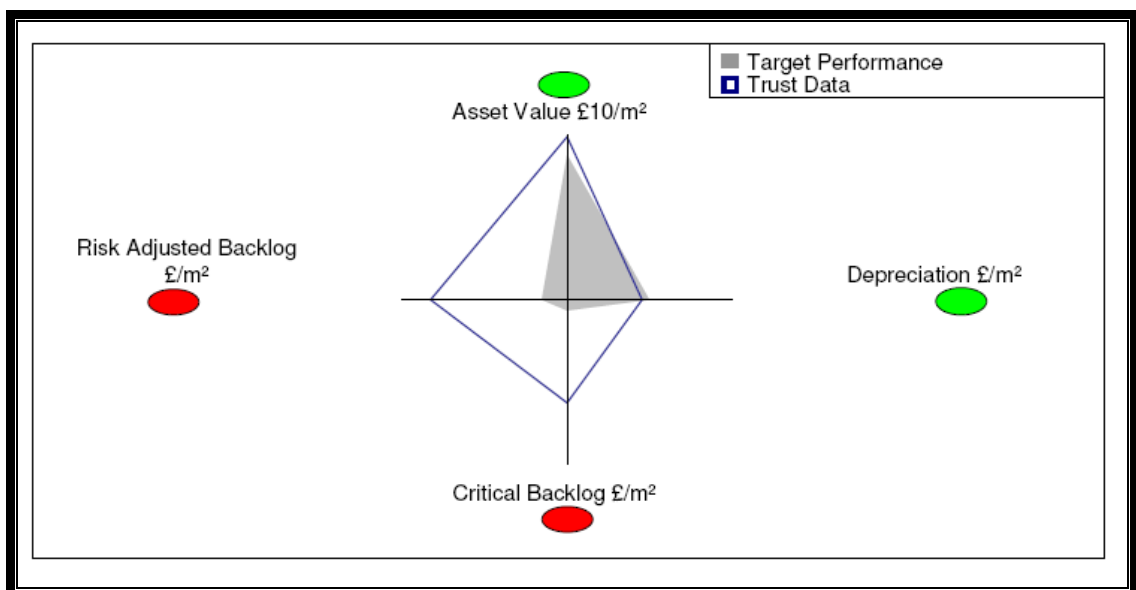


Figure 2: Estate Quality

Figure 2 above clearly demonstrates the need for the Trust to reduce and manage its backlog maintenance and assets in a proactive way. Other key performance indicators are Asset Productivity, Space Efficiency and Cost of Occupancy all of which tell a similar story.

Environmental issues now also feature significantly in the NHS's strategic agenda and we are conscious that our profile in this area is increasingly important to our staff, patients and commissioners / funders. The Trust recognises that much work remains to be done across several areas including energy, emissions to atmosphere, green travel, waste, water and awareness raising in order to be a "good corporate citizen". Section 13 of the strategy identifies where we want to be in relation to environment and energy strategy and appropriate Key Performance Indicators (KPI's) are highlighted in section 14.0.

DDA compliance is another key performance area that the Trust is keen to address following a survey carried out some years ago and getting staff to identify key areas internally to be improved i.e. Disabled Toilets in Women's and Children's Department, addressing access onto the site. etc.

6. Where we want to be?

The Trust's long term plan is to deliver high quality acute and elective services from Watford and St Albans hospitals where we are efficient / viable and meet the required standards while providing a safe and comfortable environment for patients.

Whilst the Trust does not intend to own and operate the Hemel Hempstead hospital site in the medium to long term, it intends to work in partnership with the PCT to deliver a high quality local general hospital in the future.

Key Objectives in relation to the Estates are:

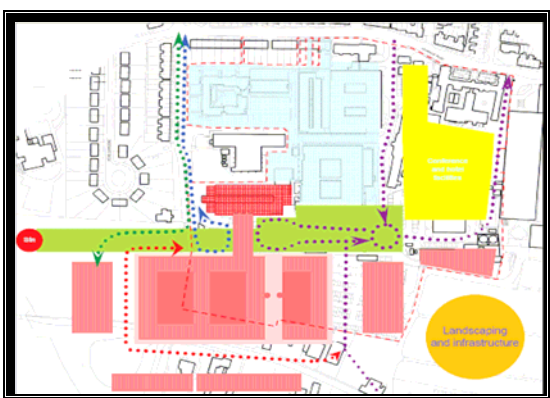
- To ensure that the quality of the Estate in terms of buildings and their setting reflects the character and reputation of the Trust;
 - To ensure that principles of sustainability underpin the development of the Estate;
 - To ensure that the vision for the Estate is supported by adequate investment and that such investment is protected; and
 - To set and monitor key performance indicators for this strategy.
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- New Hospital in Watford

The Trust has aspired to replace the hospital at Watford for a number of years. To this end, the Trust has developed both a single-phase development option and an alternative phased solution. The estimated costs of redeveloping a single-phase new hospital amount to c £280 - £300m, with a phased development estimated to cost £380 - £400m.

As part of the business case for a new hospital, the Trust recognises the need for developing both these options in terms of financial and non-financial option appraisals together with a third option of addressing the backlog maintenance only.



Single Phase New Hospital Solution



Phased Solution New Hospital

- Refurbished and risk reduced facilities in St. Albans

The Trust intends to retain the site and consolidate elective activity as well as seeking appropriate partners/tenants. The Trust intends to retain the site as the Elective Care Centre for West Hertfordshire patients. However, there are significant backlog maintenance issues on the site (as mentioned previously) and the Trust implementation plans will address how these can be managed without affecting clinical services. Each of the identified risks will be tested against cost, viability and value for money to ensure we can deliver our core objectives in a cost effective way.

7. How do we get there?

The Estate is in need of significant capital investment to reduce the backlog maintenance issues on all the sites, and, from an operational point of view, the strategy proposes solutions to manage our operational services which will improve our performance indicators and provide assurance to the Board that we have a sustainable future in terms of the estate and its assets.

This will be done by better space utilization, 'invest to save' schemes, addressing the capacity and resilience report recommendations, addressing the DDA shortcomings in the estate, implementing robust backlog maintenance programmes as set out in section 19.0 of the Strategy document, improved waste management methods, ensuring staff play their part in the awareness and ownership of issues, implementation of energy saving schemes to mention a few.

Fundamental to the Strategy is the principle of having the appropriate key people delivering the service and managing the estate/ reducing backlog maintenance by c£3-4m per annum i.e. having the right people, at the right place and

delivering against performance criteria agreed by the board. A 'Root and Branch' review of the Estates structure is underway and will be implemented by mid 2010. This review will see to address this issue ensuring resources are effectively targeted.

Working in partnership with key stakeholders will also enable us to deliver the required objectives set out in the strategy, particularly the local councils.

Table 1 below describes the Trust's prioritised 5 year Backlog Maintenance Programme indicating how capital funds will be deployed to reduce backlog maintenance.

Year		Capital Cost £k
Backlog Maintenance programme 2009/2010		
Total		2,690
Backlog Maintenance programme 2010/2011		
Total		3,700
Backlog Maintenance programme 2011/2012		
Total		3,850
Backlog Maintenance programme 2012/2013		
Total		4,200
Backlog Maintenance programme 2013/2014		
Total		3,400
Backlog Maintenance programme 2014/2015		
Total		3,900
Total		21,740m

Table 1: 5 Year Backlog Maintenance Investment Plan

8. Estates Plan

The Strategy described in this document will be delivered through the Estate Plan that will include a combined capital investment plan and programme.

It is envisaged that the Estate Plan will be a standalone document that supports the delivery of the Estates strategy and will be regularly updated to reflect the dynamic nature of healthcare provision for West Hertfordshire Hospitals NHS Trust and aligned to the Trust's annual business planning process. The Estate's Plan will be developed annually and will be circulated to the Board for information.

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January 2010