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Review of Estates – Aneurin Bevan University Health Board

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The person who delivered the work was David Poland.

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Summary report

Background

- 1 The National Health Service in Wales (NHS Wales) estate exists to support the provision of health care services. Buildings and infrastructure are valuable resources that can directly influence health service performance. They need to be of an appropriate type, condition and location, but can be costly to run and maintain.
- 2 Health boards across Wales typically have a diverse estate with numerous buildings, geographically dispersed, and of varying age and condition. Aneurin Bevan University Health Board has an estate portfolio of 71 properties (March 2014) that range from complex campus sites such as Royal Gwent Hospital, to small clinics and health centres. This makes it one of the largest and most diverse of the LHB's in Wales, with a property value of £395 million based on District Valuation. The estate occupies 120 hectares (296 acres) in total, with buildings having a gross internal area of 311,692m² (3,355,024 sq. ft). (Source: Draft Estates Strategy 2015-2020)
- 3 While major investments have replaced several hospitals and clinics, the Health Board still retains and operates sites that have buildings over 100 years old. It has infrastructure such as power distribution, drainage and heating that struggle to sustain the services being operated from within them. They also have deteriorating fabric. 46% of the estate is over 40 years old.
- 4 Successful estate management requires input and effort from health boards, and involves two broad activities:
 - strategic management of the estate – important for making sound decisions about current use and future development of estates. The board, supported by relevant professionals, should determine what estate is needed to support service delivery, approve plans to deliver this, and provide oversight. The Health Board's Integrated Medium-Term Plan (IMTP) will be a key influence on this. Without a strategic approach, there is a risk that estate management and service development decisions are not coordinated. This creates a further risk that financial investment in the estate may be misdirected.
 - operational management of the estate – important for ensuring the estate remains fit for purpose on a day-to-day basis, and that professionals can acquire, modify, and dispose of parts of the estate as required.
- 5 Effective and efficient management of the estate should deliver value for money. However, insufficient attention to either strategic or operational matters can result in money being wasted and sometimes substandard service delivery to users.
- 6 Our 2017 structured assessment highlighted that the Health Board doesn't have an estates strategy, estates plan or up to date condition surveys of its buildings. Therefore, the Health Board could make decisions around the acquisition, disposal and investment in buildings from an individual, not whole estate, perspective. The

lack of an estate strategy can also result in the Health Board retaining ownership of unused properties and incurring unnecessary extra costs. The Health Board is preparing for the opening of the Grange University Hospital and new community-based services. This is in line with its Clinical Futures Strategy (CFS). It is important that the Health Board reviews its current and future needs for buildings and makes appropriate changes.

- 7 The Health Board notes, in its draft Estates Strategy, that the CFS programme will result in major changes to its estate and will have far reaching consequences for future capital investment. Any emerging Strategy will also need to set out an approach to contingency planning. This is essential to ensure that services can be provided safely and effectively should plans not go ahead as currently envisaged.
- 8 Our review has sought to answer the following question: is the Health Board managing its estates effectively? To answer this question, we have considered whether:
 - the Health Board’s strategic approach to estates management is robust; and
 - the Health Board is continuing to make improvements in key areas.

Key findings

Our overall conclusion is that the Health Board is taking positive steps to improve estate management but would benefit from introducing a strategic plan which reflects its vision for future healthcare provision. [Exhibit 1](#) sets out our key findings in more detail.

Exhibit 1: our main findings

Our main findings
<p>The Estates Team is involved in strategic planning through the IMTP process, but the Health Board lacks an agreed Estates Strategy.</p> <ul style="list-style-type: none">• The Health Board does not have an agreed Estates Strategy.• The Estates team is involved in strategic planning through the IMTP process.• The Health Board is piloting a new approach to assessment and reporting of its estate but is taking longer than initially expected to complete.• There is clarity around accountability, roles and responsibilities for Estate Management.• There are systems in place to record asset data and to support maintenance.
<p>The Health Board continues to improve its management of Estates and Facilities in key areas.</p> <ul style="list-style-type: none">• The Health Board performs well against national indicators compared to the All Wales averages.• There are clear systems for managing performance but there is scope to make better use of service user feedback and post-work inspections.• The Health Board spends a high proportion of its maintenance budget on reactive repairs which reflects the age and condition of the current estate.• The board has a clear policy for the disposal of an asset once it has become redundant and it uses national and local guidance to dispose of assets.• The Health Board is aware of risks and prioritises actions using feedback from users.

Our main findings

- The Health Board actively ensures that staff and contractors have the skills and behaviours required to deliver an effective service.
- Management is taking positive steps to improve staff satisfaction and sickness absence levels.

Recommendations

Exhibit 2: recommendations

Recommendations

R1	The Health Board should develop a fully costed Estates Strategy as soon as possible as recommended in our Structured Assessment 2017 (December 2017).
R2	The Health Board should finalise the 'Six-Facet' survey report to inform the Estates Strategy.
R3	The Division should include a range of Key Performance Indicators in its Performance Dashboard. These should include user satisfaction and completion targets.
R4	The Health Board should ensure that it completes post-inspections for a percentage of repairs as part of a systematic quality control process. It should include the results in its local performance management dashboard.

Detailed report

The Health Board's approach to estates management continues to develop but this is not reflected in a strategic plan agreed by the Board.

The Health Board does not have an agreed Estates Strategy.

- 9 The Health Board does not have an agreed Estates Strategy. We were provided with a copy of the draft Estates Strategy 2015-2020. This contained information that is out-of-date. For example, the performance data related to 2014-15 and there is no financial information.
- 10 Despite this, the strategic intention for the Estates function is set out in the Health Board's Integrated Medium-term Plan (IMTP) 2018-19 to 2020-21. There is also a Capital Programme which details the capital spend required over the next year. As at July 2018 the All Wales Capital Programme for the Health Board was £126,512,000. This included £126 million for the Grange University Hospital development and £512,000 for the '111' programme.
- 11 The Capital Programme includes statutory allocations (£625,000); ongoing commitments from 2017-18 (£3,314,000); Informatics National priority (£1,223,000); Imaging national priority (£1,210,000) and Service developments (£1,033,000). High risk divisional priorities such as 'essential works and environment' and 'equipment replacement' have a combined total of (£2,161,000). Against a total capital funding of £10,814,00, there is a proposed spend of £9,556,000 which leaves a balance unallocated of £1,248,000.
- 12 Our fieldwork has confirmed that the need for an agreed Estates Strategy is understood by senior managers and Executives. In our Structured Assessment 2017 report (December 2017), we highlighted our concern that the Health Board did not have an estates plan or up to date conditions survey of its buildings. Decisions around the acquisition, maintenance and disposal of the Board's Estate were not strategically managed. We were informed that the Health Board was developing a 'six facet' survey to improve the accuracy of condition surveys. Once completed, this would be used to support the development of an agreed Estates Strategy and help target backlog maintenance work for the existing estate.
- 13 In our Structured Assessment 2017 we made the following recommendation:
'The Health Board should develop an Estates Strategy that reflects the current condition of its buildings and supports delivery of the Clinical Futures Strategy'.
- 14 The Health Board's Management response to our recommendation was
'The Health Board has recently completed a Six Facet condition survey of all premises to provide guidance and evidence for a full strategic estates review. This will be developed into an overarching board estates strategy to sit alongside the clinical futures programme and the IMTP'.

- 15 Our review has determined that little progress has been made in achieving this recommendation. We were informed that the '6 facet' survey had been completed and would be used to inform the development of the Estates Strategy, but we have found little evidence of this.

The Estates team is involved in strategic planning through the IMTP process.

- 16 The main strategic issue impacting on Estates is the development of the Grange University Hospital. As noted above, it has now been agreed that the Grange development will proceed with WG funding of £126 million. As a result, the Health Board is now in the process of developing an Estates Strategy based on the Clinical Futures Strategy.
- 17 The Health Board agreed a 3-year IMTP in June 2018 with the Cabinet Secretary for Health and Social Services. The WG response stated that the IMTP demonstrated a 'balanced and achievable three-year plan' with 'a growing maturity' in its planning arrangements. The response also stated that WG was 'looking forward to seeing the progress of transformational service change that these organisations have set out in the plans over the next three years'.
- 18 The Estates team was involved in the development of the IMTP. There is a separate section in the Plan on Capital and Estate as an enabler for the strategic Service Change Plans. The Capital and Estates section includes the Capital Funding outlook for the Health Board over the next three years leading up to the opening of the Grange University Hospital. It includes the emerging issues and risks. It also describes the work of the Strategic Capital and Estates Work stream and the management of the Health Board's Capital Programme.
- 19 The Estates Team developed its own IMTP, along with every other Division. These were fed into the overall board level plan. The Estates team was further involved in the overall IMTP process as all divisional IMTP's are circulated to every other division for information and comment. This process is also used to inform the Capital Programme. The Estates team 'sense checked' the IMTPs from other divisions and their capital requirements.
- 20 The process ensures that there are estates elements in each divisional IMTP as well as the overall Health Board IMTP. There is, therefore, engagement between the Estates Division and IMTP planning. This is important as the final Estates Strategy should be linked to the IMTP development process.
- 21 The Estates and Facilities IMTP 2018-19 to 2020-21 helps to set the strategic direction for the division. The priorities for the division include:
- develop an Estate strategy based on outputs from the '6 facet' survey;
 - introduce sustainable catering model at St Cadocs, County and St Woolos hospitals;

- ensure decontamination and sterilisation service able to support GUH and subsequent service reconfigurations;
- improve car parking capacity at Nevill Hall Hospital and seek alternative provision at Royal Gwent Hospital to replace Whiteheads site;
- develop and implement a sustainable workforce plan for the Division post GUH commissioning; and
- implement an Integrated IT management solution for Catering, Portering, Maintenance, Estate Management and Cleaning.

22 The Estates and Facilities Divisional IMTP recognises the need to develop a full Estates strategy to consider the long-term targets of the Health Board. However, this strategy is taking time to develop. Therefore, the Health Board will address a range of estates related factors which affect patient choice and the delivery of activity targets. These factors include:

- improving the physical state of the Health Board premises and environment.
- strive to reduce hospital acquired infections.
- improve privacy and dignity for patients.
- provide Facilities that can be cleaned to the required standards.
- address backlog maintenance.
- conclude and implement targets in line with the Six Facet Survey.
- address top five risks year on year.

The Health Board is piloting a new approach to assessment and reporting of its estate but is taking longer than initially expected to complete.

23 As noted above the Health Board is piloting the '6 facet' survey for ways to improve reporting. It will be the first in Wales to do this. The Health Board will use the survey to appraise property. This will be used to assess fitness for purpose of health care buildings in terms of use, condition and compliance. The six facets which are assessed and ranked are:

- Facet 1: Physical Condition Survey (Fabric & M&E): The physical condition of the estate is assessed on three elements; the internal and external building fabric, mechanical systems and electrical systems.
- Facet 2: Statutory Compliance Audit (Inc. Fire): Fire, health and safety are assessed on the property's compliance to statutory legislation.
- Facet 3: Space Utilisation Audit: Space Utilisation is assessed on a series of judgements made on the intensity of use i.e. the number of people using it and the frequency with which they use it.
- Facet 4: Functional Suitability Review: Functional suitability is assessed on three elements; internal space relationships, support facilities and location.

- Facet 5: Quality Audit: Quality is assessed on three elements; amenity, comfort and design.
 - Facet 6: Environmental Management Audit: Environmental management is assessed on the overall efficiency of the property, with energy being a critical factor.
- 24 Each facet is broken down into building systems and fabric elements as well as highlighting information about the property. Following reviews, scores are provided for all major property facets. This can then be used to inform Estates Strategy updates (and or property rationalisations and investment plans) as described by Estatecode – and as referred to in the Department of Health’s ‘Developing an Estate Strategy’.
- 25 The report will summarise findings and provide indicative investment costs. All backlog condition surveys (the ‘Physical condition’ facet) are based on the Department of Health’s risk-based approach to assessing backlog maintenance.
- 26 The early release of the 6-facet survey report is crucial to the development of the Estates Strategy. It will provide the Health Board with a clear indication of the state of property portfolio to assist strategic decision making. The work has taken longer than expected to complete but when available the final report is expected to:
- quantify an increased backlog maintenance cost;
 - identify significant redundant estate;
 - identify and quantify space under-utilisation;
 - identify areas where functionality fails to meet current needs; and
 - list and locate improvement opportunities for energy efficiency.

There is clarity around accountability, roles and responsibilities for Estate Management.

- 27 The Board-level Executive Director with overall operational responsibility for Estates and Facilities is the Chief Operating Officer (COO). He discharges this function through a Divisional Director of Estates and Facilities.
- The Director of Planning and Performance is responsible for Capital Planning and the Capital Programme. The Director of Planning and Performance is the chair of the Strategic Capital and Estates Group and the Capital Programme Group.
- 28 Ultimate responsibility for estates management and capital expenditure lies with the Health Board but it has a range of committees to support it in these functions.
- 29 The Board has started a major reconfiguration exercise to prepare for the opening of the Grange University Hospital and new community-based services. This is in line with its Clinical Futures Strategy (CFS). To help achieve this the Health Board has established a Clinical Futures Sites Group to manage the Estate Portfolio. The Group has the following functions:

- lead the work associated with the disposal of surplus sites including the requisite reports and approvals;
- oversee and support the site acquisition work required for the provision of sites for Clinical Futures Capital developments and ensure that appropriate approval and reporting mechanisms are in place; and
- ensure that good practice as set out in Estatecode¹ and elsewhere is always used.

The Group is accountable to Clinical Futures Strategic Board which, in turn, reports to the Health Board.

- 30 There are clear lines of accountability for estates. The COO chairs meetings of the six Divisions within the Health Board - including the Estates and Facilities Divisional Board. Each Division has an Estates lead. This ensures clear lines of communication on Estates issues to the board through the COO.
- 31 The COO chairs an Assurance Meeting (attended by HR and Quality representatives) as well as a monthly meeting with the Chief Executive. In addition, the Estates and Facilities Divisional Board has a six-monthly review meeting and an annual review meeting with the Executive Team. There is challenge at these meetings from corporate departments, including from the Finance Team.
- 32 There is an Independent Member to represent Estates at Board level and to provide appropriate challenge.

The Divisional Director of Estates and Facilities chairs a monthly Senior Management Board Business Meeting within the Division and a monthly Senior Management Board Finance Meeting. Action notes record actions that officer must take. The notes are then reviewed and followed up at the subsequent meeting. Despite there being no overall estates strategy, service leaders are aware of the priorities for the service.

There are systems in place to record asset data and to support maintenance.

- 33 The Health Board uses the MICAD Property Management System to store information on the estate. It also includes information on Statutory Compliance issues (e.g. Control of Asbestos, decontamination, electrical safety and legionella). The system holds a range of information including risk, lease breaks of properties,

¹ Estatecode is a user manual for NHS organisations managing the healthcare estate for current and future use. It includes advice on a broad range of estates topics, including land transactions, town planning issues and guidance on baseline assessments of the condition of the estate, as part of corporate planning and investment decision making processes and procedures.

operational estates and a planned and reactive maintenance database. Information is available by hospital site, building and room location.

- 34 Welsh Government (WG) Hazard Notices are circulated within the Estates Team once logged onto MICAD. Staff are required to report on actions taken before they can be signed off as completed. All are reported to the Statutory Compliance Group which meets every two months. If not signed off they are placed on the Backlog Maintenance Risk Register for escalation within the Health Board.
- 35 Planned Preventative Maintenance (PPM) is generally statutory and reactive maintenance is undertaken according to prioritisation. This is usually carried out by internal staff. By exception contractors may be used.
- 36 In addition to MICAD, the Health Board also manages its property database through a system called E-PIMS (electronic Property Information Mapping Service). This contains details for all leased and freehold buildings. It shows the property description, terms of any leases and expiry dates as well as any covenants on the land.
- 37 The Health Board also has the LAPP (Land and Property Portfolio) system which provides even more detail on properties than e-PIMS.
- 38 The Health Board will link the results of the 6-facet survey when available to MICAD. This will be piloted for the whole of Wales and the combined data will ultimately be stored in MICAD.

The Health Board continues to improve its management of Estates and Facilities in key areas.

The Health Board performs well against national indicators compared to the All Wales averages.

- 39 The Health Board completes the NHS Wales Estates and Facilities Performance Management Systems returns. The NHS Wales Estates and Facilities Performance Management System (EFPMS) was set up in 2002. The system encourages a disciplined approach to data collection, dissemination and review and supports strategic decision making at both a local and national level.
- 40 The EFPMS allows NHS bodies to enter and interrogate data in real time and to compare performance against other NHS bodies, not only in Wales but also in England. NHS Wales Shared Services Partnership - Specialist Estates Services (NWSSP-SES) provides support and guidance on the completion of EFPMS returns and has a role in challenging and validating the information submitted. Using the data, NWSSP-SES produces annual reports on the estates and facilities performance of the Welsh NHS estate, presenting data at both an organisational and hospital site level.

- 41 **Exhibit 3** shows the Health Board's performance on the NHS Wales' estates dashboard for 2016-17. This shows that the Health Board performs well overall especially in terms of fire safety compliance, functional suitability and space utilisation.
- 42 **Exhibit 4** shows how 2016-17 performance against the NHS Wales' estate dashboard compares with the previous year – and how it compares with the All Wales average. Performance against the 5 measures remained constant with a slight reduction in 'statutory and safety compliance' from 90% to 89%. All indicators were rated 'amber' or 'green'.

Exhibit 3: performance against NHS Wales' estate dashboard 2016-2017

National Key Performance Indicators-Percentage of the Estate that is of a reasonable standard and therefore falls within Estatecode 'b'/'f' or above.

	Physical Condition (%)	Statutory & safety compliance (%)	Fire safety compliance (%)	Functional suitability (%)	Space utilisation (%)
ABERTAWA BRO MORGANNWG UNIVERSITY HEALTH BOARD	79	90	100	90	97
ANEURIN BEVAN UNIVERSITY HEALTH BOARD	89	89	95	90	90
BETSI CADWALADR UNIVERSITY HEALTH BOARD	74	78	79	85	88
CARDIFF & VALE UNIVERSITY HEALTH BOARD	80	87	91	57	89
CWM TAF UNIVERSITY HEALTH BOARD	85	87	85	97	97
HYWEL DDA UNIVERSITY HEALTH BOARD	87	89	93	92	99
POWYS TEACHING LHB	62	77	70	72	94
VELINDRE NHS TRUST	85	95	94	88	99
WELSH AMBULANCE SERVICES NHS TRUST	36	90	90	36	99

Source: NHS Wales Estate Condition and Performance Report 2016-17

Exhibit 4: performance against NHS Wales' estate dashboard 2016-2017 compared to 2015-16 and All Wales average

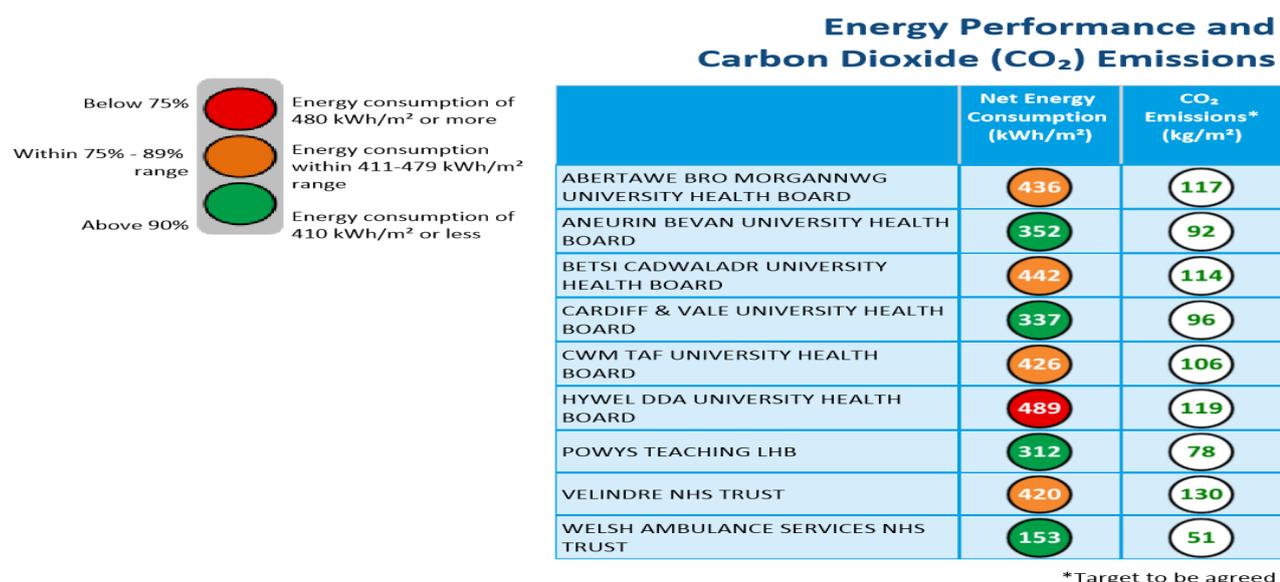
Assessment criteria	2015-16 score	2016-17 score	All Wales Score 2016-17	2016-17 RAG rating
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Physical condition	89	89	80	Amber
Statutory and safety compliance	90	89	86	Amber
Fire safety compliance	95	95	90	Green
Functional suitability	90	90	82	Green
Space utilisation	90	90	93	Green

RAG ratings: Red up to 75%, Amber 75-89%, Green 90% or above.

Source: NHS Wales Estate Condition and Performance Report 2016-17 and 2015-16

Exhibit 5: performance against NHS Wales' estate dashboard 2016-2017- Energy Efficiency



Source: NHS Wales Estate Condition and Performance Report 2016-17

43 **Exhibit 5** shows that the Health Board is meeting its Energy Performance target and is placed as the third best performing health body in Wales for managing CO₂ emissions at with a 'score' of 92. In 2015-16 it was at 99. Energy performance was 363 in 2015-16 and this improved to 352 in 2016-17.

Exhibit 6: performance against NHS Wales' estate dashboard 2016-2017-Backlog
Maintenance Costs

Backlog Maintenance Costs

*Target to be agreed

	High Risks (£)	Significant Risks (£)	Moderate Risks (£)	Low Risks (£)	Risk Adjusted Cost (£)
ABERTAWA BRO MORGANNWG UNIVERSITY HEALTH BOARD	1,015,000	16,204,281	43,300,278	7,622,711	18,257,701
ANEURIN BEVAN UNIVERSITY HEALTH BOARD	3,996,000	12,748,500	6,057,500	16,124,000	16,045,099
BETSI CADWALADR UNIVERSITY HEALTH BOARD	20,030,275	16,616,312	31,889,721	14,700,767	40,147,041
CARDIFF & VALE UNIVERSITY HEALTH BOARD	1,117,157	26,293,141	18,751,045	5,622,420	28,636,986
CWM TAF UNIVERSITY HEALTH BOARD	57,851	5,035,705	7,600,208	897,531	5,775,712
HYWEL DDA UNIVERSITY HEALTH BOARD	2,878,571	39,406,378	11,312,260	7,221,290	43,385,515
POWYS TEACHING LHB	1,000,233	4,233,702	3,462,963	308,575	5,384,787
VELINDRE NHS TRUST	25,313	781,752	412,180	915,653	831,429
WELSH AMBULANCE SERVICES NHS TRUST	2,829,060	6,779,568	2,761,445	1,860,192	9,778,335

The complete dataset upon which this report is based is accessible from the NHS Wales Shared Services Partnership - Specialist Estates Services intranet and internet sites

Source: NHS Wales Estate Condition and Performance Report 2016-17

Exhibit 6 indicates that the Health Board has significant backlog maintenance costs.

These are broken down into

- 'High Risks' (£3.996 million),
- 'Significant Risks' (£12.749 million),
- 'Moderate Risks' (£6.058 million), and
- 'Low Risks' (£16.124 million).

- 44 The Risk Adjusted cost is reported as £16.045m which is the fifth highest of the nine health bodies in Wales. The largest backlog maintenance costs within the UHB are at the Royal Gwent Hospital at £2,866,000 and at Nevill Hall Hospital at £831,000.
- 45 There are no specific Estates and Facilities (KPIs) Key Performance Indicators in the main Board Report. However, the Estates and Facilities Division is developing a performance/compliance report to be made quarterly to the Divisional meeting. This will include data from the maintenance data base. Efficiencies are looked at internally through the Continuing Improvement Process.
- 46 The 2016-17 EFPMS report for the Health Board contains information on the costs of certain services at the Health Board compared with the All-Wales average. Exhibit 7 below shows the cost of services compared with the All Wales Average

Exhibit 7: cost of services v All Wales Average

Area	ABUHB	All Wales Average
Cleaning Service Costs – (per sq. m)	£31.14	£32.98
Catering Service Costs- (per patient meal)	£3.03	£3.28
Portering Service Costs – (per sq. m)	£12.17	£14.36
Laundry & Linen Service Costs – (per piece)	£0.2965	£0.34

Source: HB Estates and Facilities Division Annual Review- May 2018 (Based on EFPMS Data 2016-2017)

There are clear systems for managing performance but there is scope to make better use of service user feedback and post-work inspections.

47 Performance management standards for response times are set out in the Health Board's Maintenance Policy. These are:

- Emergency Response – within 2 hours
- Priority Response – within 24 hours
- Routine Response – within 72 hours or 3 working days
- Non-Essential Response – within 168 hours or 7 days.

In addition, there are SLA work order priorities for contractors which are similar to the above. Contractors working on PPM are managed against the priority standards by operational Estates Managers.

48 Performance management is supported by the use of technology. This is through a system called MICAD. This is a property management system that is used as both a document store and has a risk assessment module. MICAD is used for the performance management of statutory obligations such as water management, legionella and asbestos which is part of Planned Preventative Maintenance (PPM). There is a list of PPM tasks which are RAG rated following inspection by contractors.

49 The Division operates a call centre for all sites in the Health Board area. It is managed through an IT system called PLANET. Calls are for reactive work (although the system also logs statutory work) and are assessed by a supervisor and then allocated to an operative via a hand-held PDA. Following assessment at

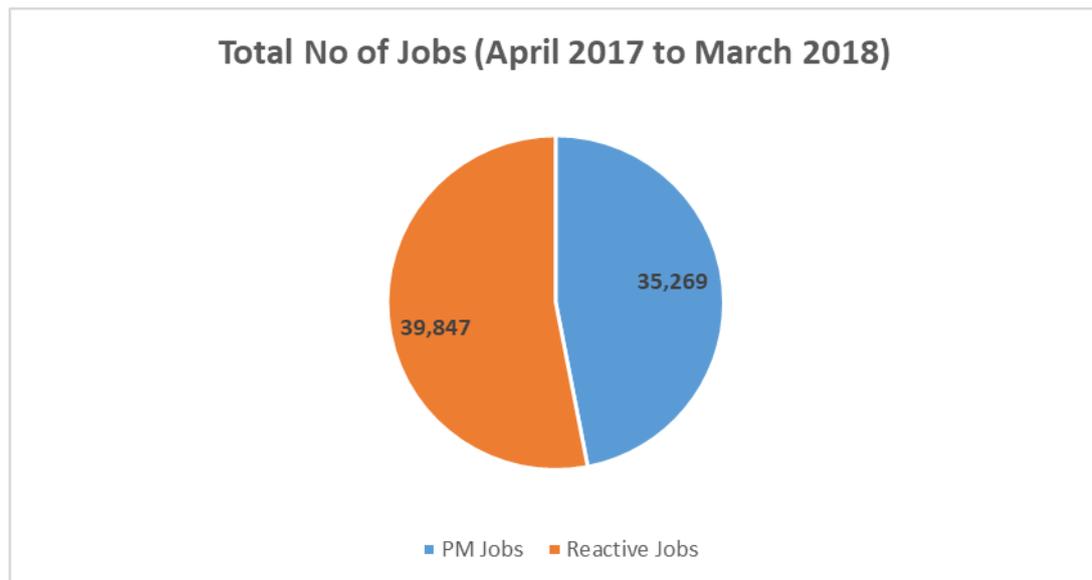
the job it will either be completed or require a 'follow on'. Any booking to an operative includes travel time and jobs are often batched to an operative in one area to save time and resources.

- 50 PLANET includes an audit trail of the job so that progress can be monitored and occasionally supervisors will check the quality of work undertaken. The system can generate several reports including timesheets for operatives. The use of PLANET ensures that repair requests are categorised appropriately. At the time of our review we were informed that there was 'work in progress' to align the target times in the maintenance policy with PLANET so that this can be performance managed automatically.
- 51 It is good practice to post-inspect a percentage of repairs to ensure repairs are carried out to a high standard. The Health Board undertakes a large amount of repairs each year; however, post inspections are not conducted systematically. Spot checks on the quality of work undertaken are carried out at random and local supervisors are required to carry out two inspections per week. A Quality Assessment Form is used which provides details of the job undertaken and by whom, whether the job was completed on time and brief client feedback.
- 52 The form is signed off by the Inspecting Officer and is used for both PPM and reactive maintenance. The Health Board has no formal system to assure itself that repairs undertaken are of a good quality or that repairs are being undertaken because of poor previous repairs. We recommend that the service inspects a percentage of all repairs each month as part of a systematic quality control process. The results of the inspections should be included in the local performance management dashboard.
- 53 An efficient and user-focused estates service will provide services that consistently exceed the expectations of customers and know what customers think of the service. There are no user satisfaction targets. However, every 10th call made via helpdesk generates a satisfaction form. This is reviewed by help desk staff and the result reported to local management.
- 54 The monthly Divisional meeting report contains a range of performance information including financial performance and workforce KPIs. The report provided to us did not contain any KPIs on estates performance. It was reported that these would be provided quarterly in the future following agreement between the COO and the Divisional Director. The Dashboard included in the report contained only data on workforce such as sickness absence, staff in post, turnover, PADR (Personal Assessment and Development Review), statutory and mandatory training and agency and bank staff usage.
- 55 The dashboard should be extended to consider other KPIs. For example, completion of capital works, performance against backlog maintenance, compliance with statutory compliance inspections and customer satisfaction with estates.

The Health Board spends a high proportion of its maintenance budget on reactive repairs which reflects the age and condition of the current estate.

- 56 The Health Board does not have a maintenance strategy that balances workload between reactive and planned work. Reactive repairs, that is, unplanned, are generally more expensive than planned maintenance. In the long term, more planned work should lead to less reactive work and to fewer catastrophic faults. However, over maintaining could be a drain on internal resources.
- 57 Estates departments should periodically review the levels of reactive and planned work to ensure that there is an efficient balance between the two. Although there is no agreed NHS good practice benchmark, local government maintenance departments generally hold that the split between planned and reactive repairs should be between 70:30 and 60:40 by value.
- 58 The Division undertook 35,269 (47%) planned maintenance tasks and 39,269 (53%) reactive requests between April 2017 and March 2018 (see **Exhibit 8**). This shows that there is an imbalance between planned and reactive repair tasks when compared to the benchmarks indicated above. The higher number of reactive tasks is also an indication of the poor state of repair and age of the estate. We are not made aware of any immediate plans to move towards more planned maintenance, but we understand that this is likely to change with the proposed new development at the Grange and the disposal of ageing assets.

Exhibit 8: split between reactive and PPM tasks carried out 2017-2018



Source: HB Estates & Facilities Department

- 59 The Health Board spent £1.216 million on planned maintenance and £0.979 million on reactive maintenance between April 2017 and March 2018. This represents a 55%:45% split with most being spent on planned maintenance. It was reported to us that during 2018-19, the Division was also funding additional estates staff to the value of £250,000 to support PPM to increase the % of PPM and to reduce the reactive spend.
- 60 The Health Board told us that future maintenance costs were not always considered when planning new builds. The Chartered Institute of Building Service Engineers advice is that newer buildings have less maintenance costs than older buildings is only partially correct. Newer buildings should be less prone to breakdowns but are more complex than older buildings. Therefore, newer buildings are potentially more expensive to maintain in the long term and may need some different skills.
- 61 The failure to make provision for the maintenance costs of new builds will contribute to future budget pressures in the long term. To address this, the Health Boards includes maintenance costs in the business case sign-off procedures as part of the RCCS (Revenue Consequences of Capital Schemes). This has been the case for the planning of the Grange University Hospital and was considered for both the recent Ebbw Vale and Ystrad Mynach developments.

The board has a clear policy for the disposal of an asset once it has become redundant and it uses national and local guidance when disposing of assets.

- 62 Specific guidance is provided by the Health Board in its rules and procedures governing the management of acquisitions, disposals and other property matters “Capital Procedure and Guidance Notes” dated January 2018. Additional guidance is provided in Health Board Standing Orders and in Estatecode.
- 63 The Health Board Land & Property Group is responsible for the management of acquisitions, disposals and other property matters even when such transactions are part of an approved scheme. The Health Board Land & Property Group is chaired by the Strategic Support Manager – Estates & Facilities, and is required to report to the Health Board and Welsh Government on a regular basis.
- 64 Guidance makes it clear it that all acquisitions and disposals of land/property of any limit must receive the written approval of the Welsh Government (WG) before being agreed. For acquisitions, disposals and leases, WG consent must be requested by a submission to the WG Capital Estates and Facilities Branch after ABUHB Board level approval. Detailed guidance has been provided by the HB for the disposal of assets. The draft Estates Strategy contains a list of recent disposals (pages 7 and 8). In total 34 properties were reported to be disposed of. Additionally, the public board meeting reported in May 2018 the disposal of 29 properties.

The Estates team is aware of risks and prioritises actions using feedback from users.

- 65 The Health Board has both a Corporate Health & Safety Risk Register and Divisional Risk Registers. Corporate risks are reported to the bi-monthly Full Board meetings as part of the Strategic Risk Dashboard. The Estates and Facilities report is reviewed at 6 monthly intervals in December and June at the Divisional Board meeting. Any risks not dealt with at the Divisional meeting are escalated to the Board via the Capital Group. Certain risks go through the corporate risk register and then the board is required to decide on its relative priority.
- 66 In the Estates and Facilities Risk Register for December 2017, a total of 13 risks were identified as 'RED' risks when considering likelihood and severity. Only 3 of these were revised to 'AMBER' following management actions.
- 67 We reviewed the Strategic Risk Dashboard which was reported to the Health Board at its July 2018 meeting. The Dashboard contained only one RED risk relating to Estates and Facilities which was:
- complete or partial loss (outages) of Health Board ICT systems, either those provided nationally by third parties or locally provided systems.
- 68 In addition, three AMBER risks were included as follows:
- the Grange University Hospital is not delivered as per programme and within approved capital cost/cost profile;
 - risk that the current Primary Care estate is not fit for purpose to meet the needs of the local population; and
 - insufficient levels of capital funding for estate requirements.
- 69 Prioritisation for capital works is based on either risk or business continuity issues. All risks are processed through the Capital Group including any statutory requirements. The process for prioritisation and for managing risk is transparent and understood. It is communicated through the divisional structure via the COO's meetings. Inevitably, there will always be more demand for investment than resources available to meet that demand. The COO reports that he has a clear and agreed mechanism for dealing with this to ensure that the board's approach to prioritisation is consistent with the health board's risk management approach.
- 70 The prioritisation process takes account of patient related and service user feedback. This is evidenced by the Community Health Councils presence on the Primary Care and Community Care Groups as well as CHC representation at the main Health Board meetings with a regular agenda item for CHC reports.
- 71 The Estates team obtains feedback from users via the Hospital Environment Committee which is chaired by an Independent Member. The Committee undertakes audits and uses focus groups and questionnaires to get feedback from patients. This is fed into the planning process. The Committee also receives the Quality and Patient Safety Operational Group assurance report. The top issues are Car Parking, Food, Environment, aesthetics and 'meet and greet' services.

Examples given of responses to issues raised include the removal of ligature points in hospitals following concerns raised by WG and the refurbished ward programme at Nevill Hall Hospital following concerns raised by the CHC.

The Health Board actively ensures that staff and contractors have the skills and behaviours required to deliver an effective service

- 72 One way to ensure that staff see customer service as essential is to use a code of conduct, service charter or similar. This makes clear what behaviour is expected of staff and provides a way to link together existing policies. The Health Board has a set of professional standards which all staff are expected to work to. The values are reiterated in the Health Boards Mandatory Code of Conduct for Contractors. This sets out the behaviour expected of contractors while working in Health Board premises. There is also a 'notice of unacceptable health and safety performance notice' which can be used by staff to report incidents of unacceptable behaviour.
- 73 The consequences of the unacceptable behaviour notice can range from a verbal warning to the removal of the contractor from site. Health Board staff are subject to the Boards health and safety and behaviour procedures.
- 74 All directly employed labour are qualified and trained to the standards required by their trade and as a minimum to NVQ level 3. Dependent on their speciality, they are then trained in specific disciplines to perform the role of Authorised Person (AP) or Competent Person (CP) for those disciplines, eg medical gases, electricity, water management and legionella control, decontamination etc.
- 75 Competence for these appointments is evaluated by NHS Wales Shared Services Partnership - Specialist Estate Service. Compliance with the appropriate Health Technical Memorandum (HTM) is a standard part of the assessment process. In addition to this, all maintenance staff are regularly trained, within the Health Board, in asbestos awareness, safe use of abrasive wheels, working at height etc.
- 76 Contractors are expected to conform to the same standards and are governed by the Health Boards Mandatory Code of Conduct for Contractors, an excerpt from which is below:
- Competence
- All Companies working for ABUHB will be expected to meet all appropriate health and safety standards and hold the necessary professional qualifications, accreditations and training relating to their trades or professions. For example (not exhaustive or exclusive):
 - All contractors should hold a SSIP (Safety Schemes in Procurement) certificate to demonstrate they have approved by an accredited body for assessing Health and Safety competence, eg CHAS, Safe Contractor etc.
 - Electrical Contractors – National Inspection Council for Electrical Installation Contractors (NICEIC) approved Gas fitters/Plumbers – Gas

Safe Ventilation – Heating and Ventilation Contractors Association (HVCA)
Scaffolders – National Access and Scaffolding Confederation (NASC) Fire
Alarms and equipment – British Approvals for Fire Equipment (BAFE)

- All individuals working for these companies must hold relevant professional qualifications, such as the appropriate grade of CSCS (Construction trades), JIB (Electrical), GAS SAFE, CCDO (Demolition), CIRS (Scaffolding)CPCS (Plant Operators), recognised apprenticeship/NVQ or equivalent.

- 77 These requirements are checked via a 'Contractors Checklist' every time a contractor arrives on site for the pre-requisite site induction before authorisation to work on site is given. Staff and contractors are suitably qualified, staff training and evidence of CPD recorded. Membership of bodies such as 'Gas Safe' are recorded on the MICAD System. Contractors are asked to provide proof of their level of expertise and the details are logged on MICAD. A contractor checklist is available on the system as is the Approved List of Contractors. Before a job commences contractors must be signed in before they receive an ID badge or permit to work.
- 78 A priority for the service is to ensure all staff have an annual Personal Appraisal and Development Review (PADR). The Division reported that in December 2017 that 79.96% of the workforce had an annual PADR against a target of 85%. The lowest scoring areas were 'management' (41.67%) and 'rechargeable works' (42.86%). It is encouraging that the 'percentage of staff with a PADR' is one of the KPIs that forms part of the estates and facilities performance dashboard and this should continue.
- 79 Management of non-productive time (eg vacancies, sickness, etc) is monitored at the monthly divisional meeting. Adherence to the Health Boards sickness policy and management of travel time for maintenance work was reported as an ongoing piece of work. At the time of our review it was reported that these issues were being reviewed as part of a continuous improvement project undertaken to look at better time management, travel times and the handyman project roll-out
- 80 Health Board staff and external contractors are, therefore, suitably qualified to undertake their roles and is there evidence of continuing professional development for employed staff.

Management is taking positive steps to improve staff satisfaction and sickness absence levels.

- 81 The Health Board took part in the Wales NHS Staff Survey 2016. This is a bi-annual survey. The Estates Division considered its response to the survey in August 2017. The Division had returned 170 responses which equated to a response rate of 22% compared to a response rate of 33% for the Health Board as a whole. A possible reason given for the low return, related to the number of paper copies issued among this staff group, which was due to the limited computer access available to individuals within the Division.

- 82 The Division reported that in comparison with other Divisions, its results were at the lower end of the scale, but they were not the lowest. On a more positive note, they were generally better than those recorded for the same categories in 2013.
- 83 The Divisional report considered put some additional statistical context around those results, which at face value, appear to be disappointing. It was also noted that the survey took place in 2016 and that a year had elapsed since the survey.
- 84 Sickness levels are under 6% which are the best in Wales for the staff group. Until very recently the incidence of 'complex' HR issues, (Disciplinary, Grievance, Dignity), was running at a very low level, compared to some other Divisions and historically for the group of staff. The report concludes that the high-level indicators do not imply that employee satisfaction is low. Since the survey in 2016 there have been several actions and initiatives which are designed to bring a more positive perception of employment within the Division.
- 85 The Division launched a 'Senior Leaders 90 Day Change Challenge' initiative In May 2018. This is an opportunity for staff 'to understand what the Health Board's future means for them and the way they work so that they can be 'aligned to the ambition and take joint accountability for achieving it' This is an opportunity for staff to be involved in the change process that the Health Board is to go through to achieve its vision for the future.

Appendix 1

Aneurin Bevan Health Board's management response to recommendations relating to estates

The Health Board's management response will be inserted once the response template has been completed. The appendix will form part of the final report to be published on the Wales Audit Office website once the report has been considered by the board or a relevant board committee.

Appendix 1 management response

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R1	The Health Board should develop a fully costed Estates Strategy as soon as possible as recommended in our Structured Assessment 2017 (December 2017).	Clarity of long term plans for the Estate to support decision making and to ensure that the estate assets are utilised efficiently.	Yes	Yes	Draft Estate Strategy produced. Report to ABUHB Executive Team on Monday 19 November, with following recommendation: 'The Executive Team is asked to consider the draft Strategy and advise of any material changes that need to be made prior to its consideration by the Health Board Development session on 19 th December'	Dec 2018 / Mar 2019	Andrew Walker/ Glenn Evans

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R2	The Health Board should finalise the 'Six-Facet' survey report to inform the Estates Strategy.	The results of the survey will be used to inform and finalise the Estates Strategy. It will provide the Health Board with a clear indication of the state of property portfolio to assist strategic decision making.	Yes	Yes	6 Facet Survey information now available. Migration to Health Board preferred database ongoing. Survey data being utilised to inform Estate Strategy.	Nov 2018	Bob Pratt / Darren Cann
R3	The Division should include a range of Key Performance Indicators in its Performance Dashboard. These should include user satisfaction and completion targets.	Key Performance Indicators are reported which provide an assessment of the quality and timeliness of the service provided.	Yes	Yes	Overarching Divisional KPI Dashboard is currently being developed which will incorporate performance data for each service discipline within the Division. Example of Estates Maintenance performance data is available. This datasheet will be revised to include user satisfaction and completion targets. (Ref: Maintenance KPI Dashboard V5).	Jan 2019	Neil Pearce
R4	The Health Board should ensure that it completes post-inspections for a percentage of repairs as part of a systematic quality control process. It	The service inspects a percentage of all repairs each month as part of a systematic quality control process. The	Yes	Yes	Quality assessments to be undertaken for every 10 requests received, along with customer satisfaction form for completion. Feedback to be collated and reported into the Divisional KPI performance dashboard.	Jan 2019	Neil Pearce

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
	should include the results in its local performance management dashboard.	results of the inspections should be included in the local performance management dashboard.					

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