# Ref: GJF/2018/06/07



# Board Meeting: 21 June 2018

**Subject:** Property and Asset Management Strategy (PAMS) Interim Update 2018

**Recommendation:** BoardMembers are asked to discuss and approve the interim update to the Property and Asset Management Strategy.

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#### Introduction/Key Issues

A full Property and Asset Management Strategy (PAMS) covering the period 1 April 2017 to 31 March 2022 was submitted to and approved by the Board in May 2017.

This Interim Update 2018 provides a progress report on the management of existing assets and updates on new and existing projects.

The attached report addresses the following points:

* How the Services’ asset management arrangements are supporting regional working and future investment planning.
* Any substantial changes to local and/or regional strategic/service plans since submission of 2017/18 PAMS.
* Changes/improvements to asset performance (including backlog maintenance) over the last 12 months.
* Progress with any ongoing or new investment projects, particularly highlighting any specific achievements or anticipated benefits.
* A copy of Strategic Assessments for all investment projects not currently underway identified within the 5 year investment projects.

#### Update

The detailed update to the PAMS is attached to this paper and comprises the following sections:

* Purpose;
* Strategic update:
  + Regional working;
  + National context;
  + Local context for change;
  + Master plan update;
* Asset Performance;
* Update on projects highlighted in 2017/18 strategy; and
* Strategic Assessments/Initial Agreements.

#### Next Steps

Following approval by the PAMS group, the Interim Update was submitted to Scottish Government in draft subject to being approved by the Senior Management Team (SMT) and Board.

A review meeting will be held with Health Facilities Scotland (HFS) in September to review the submission in detail. The information contained within the Board’s PAMS will be used by HFS to develop the annual State of NHSScotland Assets and Facilities Report, which will be published in early 2019.

#### Conclusion

Following approval by SMT, BoardMembers are asked to discuss and approve the interim update to the Property and Asset Management Strategy.

**Julie Carter**

**Director of Finance**

**31 May 2018**

**(Lily Bryson, Assistant Director of Finance – Governance and Financial Accounting)  
(Gerry Cox, Head of Estates)**

**2018 Programme PAMS Update Report**

1. **Introduction/Purpose**

As advised in the letter of 15 March 2018 the updated report relating to the PAMS document submitted in 2017/18 is detailed below.

1. **Strategic update**

There are no substantial changes to the Board strategic plans that have not been previously included in the 2017/18 PAMS submission.

Full details of all the areas noted below are contained within the Board’s Annual Operational Plan (formerly Local Delivery Plan) and continue to deliver the Board vision of Leading Quality, Research and Innovation.

Collaboration with other National Boards and Public Sector Bodies carries on with regard to specific projects and national/regional working. The Board is likely to be working with other Boards in the preparation of both national and regional plans for capital investment.

* + **Regional Working**

The Service PAMS needs to continue to support the strategic and operational delivery of the Service.

The Board’s Operational Delivery Plan has been developed with a focus on collaboration, specifically with the West Region, other National Health Boards, and other partners. The key elements of the plan and how this links to the PAMS are described below.

Imaging Capacity

Consideration of installation of a second CT scanner which will require an element of building work to enable this work is being undertaken by the Board during early 2018/19.

“Once for Scotland”

Estates sharing at national, regional and local levels is encouraged to develop the “Once for Scotland” approach.

This approach is one we wish to explore as a key basis for our PAMS, eg links with West College and West Dunbartonshire Council.

Elective Centres

The elective centres discussed below also take account of regional working as a large element of the activity undertaken in the new centres will be to meet West of Scotland demand.

Collaboration with other National Boards and other public sector partners

A number of key senior posts are currently being shared across a number of organisations within the National Boards. In addition a range of other internal and external facing initiatives will be collaboratively progressed as part of the organisations’ delivery commitments.

A National Board Discussion Document has been developed describing the service priority areas identified by our partners with an emphasis on 3 areas: improvement, transformation and evaluation, digitally enabled service redesign and a sustainable workforce. Underpinning these is a financial framework that ensures all National Board resources are used efficiently and effectively.

* + **National context**

There have been no substantial changes to the national strategic and/or service plans of the Board since the approval of the 2017/18 PAMS in May 2017.

During the initial development and subsequent review of PAMS, the following strategic plans continue to be taken into account:

* + - Health and Social Care Delivery Plan – Scottish Government’s Delivery Plan which describes how health and social care will evolve through a continual focus on better health, better care and better value. Services and functions of the health service which can be delivered more efficiently at national level will be done on a “Once for Scotland” basis.

In addition, as the work on the Regional Delivery Plans and National Board Discussion Document (as referenced previously) develops into a clear implementation plan, this will also be considered in our Strategy review and update.

The Board has also undertaken a very detailed demand and capacity review as part of the planning for the elective centres.

The Board has also been working on a Property Strategy which is summarised in the master plan referred to in this document with the main aims of the Strategy:

* To describe the condition and performance of the current estate owned by the Board;
* To describe the strategic vision for the estate supporting the 2020 strategy of the Board; and
* To identify the prioritisation and investment plan to deliver this strategic vision.

The work from each of these strands of activities will be described further in our PAMS in 2019 and will link to the work on the Property Strategy being developed.

Key elements from the strategic development that are being considered in detail are noted below:

Elective Centres

A separate expansion Programme Board has been established to oversee the elective treatment centre programme which is comprised of representatives’ from the Board, SG Regional planning, Local authority and patient groups.

Smarter Offices

In line with the full PAMS submitted in the previous 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

* + **Local context**

Investment in E-Health infrastructure

In line with the Board’s e-Health strategy the primary focus for e-Health will be the introduction of electronic patient records. In addition the hospital expansion will be a key focus for the e-Health strategy over the coming few years.

Master plan update

In October 2016, the Board appointed AECOM as lead advisor with Ryder Architecture to prepare a master plan for the development of the Golden Jubilee National Hospital (GJNH) site. The master plan mapped the next ten years’ development at the GJNH encompassing the already identified service developments as well as the less defined anticipated developments.

The master plan builds on Ryder Architecture’s August 2015 Feasibility Report for an eight new Operating Theatre Suite and Ophthalmology Unit. The significant elements of this master plan are:

* A new combined Ophthalmology Outpatient and Day Surgery Unit of circa 1500 sqm
* Six new operating theatre suites functioning as a parallel unit as part of the enlarged theatre department along with a same day admissions unit
* A new combined Day Surgery and Endoscopy Unit with two operating theatres and two endoscopy procedure rooms
* Expanded outpatient, imaging, and inpatient facilities
* Expanded office and other clinical and non clinical support facilities
* A reconfigured and enlarged hospital entrance court
* Associated additional car parking spaces

The process used the analysis of the buildings floor plans as a base to review the existing accommodation, identify the activities that would be phased out over the next ten years and the activities that would in the context of the proposed developments be better located elsewhere, either on the same level or on an alternative level.

The table below collates the areas from the five detail brief plans. The total net balance across all five levels provides a mathematical indication of the additional area required circa 10,000 sqm.



The master Plan is a live document and has evolved to take account of developments with the National Elective Centres programme as well as projected local and regional requirements.

Key development changes include:

* The development of a 2500 sqm Ophthalmology facility as the first phase of the Golden Jubilee Foundation’s expansion programme. The facility has six operating rooms, two more than originally envisaged. An outline business case is being submitted to SG in relation to this.
* Work continues at Initial Agreement (IA) stage to develop proposals for the phase two expansion to provide an increase in orthopaedic surgery, general surgery and scopes. Again it is anticipated that a degree of change will be required to take account of development both nationally and locally.
* A need has been identified for a second CT scanner. This requirement has prompted a wider review of our existing and proposed radiology facilities.

Further work has commenced to map the timeline and develop priorities for change within the existing building footprint emerging as a result of expansion plans, using the masterplan as the main guidance document.

1. **Asset Performance**

Our asset base continues to be in excellent condition with little change from the data submitted in the 2017/18 document. The biggest challenge continues to be the planned replacement of our installed base of medical equipment and recognising the spike of investment required as assets purchased in 2008, as part of the Heart and Lung transfer, required replacement.

|  |  |  |  |
| --- | --- | --- | --- |
| Current Net Book Asset Value (all assets) | 2018 | | |
| Property | £113,392,000 | | |
| Other | £24,165,000 | | |
| Total | £137,557,000 | | |
|  | Previous | Current | Target |
| Floor Area (‘000’s sq.m) | 59,217 | 59,217 | 69,000 |
| Age (% less than 50 years old) | 100% | 100% | 100% |
| Condition (Good – category A or B) | 95% | 95% | 97% |
| Estate Utilisation (Fully Utilised) | 100% | 100% | 100% |
| Functional Suitability (Good – A or B) | 90% | 82%\*\* | 98% |
| Backlog Maintenance: |  |  |  |
| Including inflation uplift | £703,000 | £979,000 | 0 |

\*\* Reduction in functional suitability is the result of increased occupation of patient bedrooms by office staff

IMT equipment

The installed base for IMT equipment remains similar to prior years however a number of strategic projects are being undertaken which will impact on the delivery of IMT within the board with these being identified below:

* Introduction of Electronic Patient Records
* GDPR
* Document scanning
* Electronic (Digital) notes
* Self Check in being looked at in the expansion programme

Medical Equipment

The Board has an established medical equipment group that informs capital group with regard to the procurement of all medical equipment, the key areas of focus for 2018/19 are noted below:

* Replacement of existing MRI scanner;
* Replacement of 3 cath lab;
* Continue replacement of balloon pumps

In addition the Board is giving consideration to the installation of a second CT scanner on the site and a case is being prepared for the procurement of an orthopaedic Robot.

The capital plans for all elements in the PAMS documents are considered in the Board’s financial plan.

**Asset Base Issues – Competing Priorities**

The summary of issues associated with the Asset Base within the Board are summarised in the diagrams below.

**Medical Equipment Issues**

**Land and Building Issues**

These issues were discussed in detail in the full PAMS and work continues with regard to these areas.

1. **Progress on projects highlighted in the 2017/18 strategy**

**Water Source Heat Pump proposals**

In addition to the projects referenced in the strategic assessment above we also continue to progress with our Water Source Heat Pump project and have submitted a high level paper to Scottish Government Health Finance to potentially source central funding. Discussions are continuing in this regard. Discussion also continues with West Dunbartonshire Council with regards to possible participation in their larger district heating system project. If approval is granted to progress with this we will develop a more detailed case in line with Scottish Capital Investment Manual (SCIM) Guidelines.

**Hotel Bedroom Upgrades**

The first two phases are now complete with 51 rooms having been upgraded. The continuation of this work is being considered in detail and the PAMS group will be updated accordingly

**MRI Expansion**

Project to provide an additional two MRI Scanners and associated accommodation was successfully delivered during 2017/18. The temporary MRI Scanner has now been removed from site as it now surplus to requirements.

1. **Strategic Assessments**

In connection with planned expansion of elective facilities the Board has submitted the following Strategic Assessments;

Phase One Ophthalmology Unit; and

Phase Two Orthopaedic/Elective Surgery Centre.

The two SA’s are appended to this document.

**Initial Agreement**

In the relation to Phase One an IA has been submitted and approved by SGHSCD with the Outline Business Case (OBC) planned for submission by the end of May 2018.

The Phase two IA is planned for submission to SGHSCD by the end of May 2018. Following approval work will commence on preparation of the Phase Two OBC.

Julie Carter

Director of Finance

Prepared by Lily Bryson (Assistant Director of Finance) and Gerry Cox (Head of Estates)

**Strategic Assessment – Phase One**

**Strategic Assessment – Phase Two**