

TRUST BOARD

Date of Meeting: 08/03/2011		Enclosure: 6
		Agenda Item No: 8.2
Title of Report: Estates Strategy Update		
Aims:		
<p>The purpose of this report is to provide Trust Board members with a brief update regarding the Trust's Estates Strategy. The Trust Board previously approved the Estates Strategy (2009-2014) at the meeting held in October 2009.</p>		
Summary:		
<p>The Estates Strategy is intended to improve the cost effectiveness of the estate, to continue to support the delivery of all services and to ensure the continuous improvement of the patient environment.</p>		
Specific implications for consideration (Financial/Workforce/Risk/Legal/Race Equality etc):		
Financial	Contribution to the ongoing financial turnaround process.	
Workforce	Improving current performance when benchmarked against other similar organisations.	
Other	Not applicable.	
Recommendations:		
<p>The Trust Board is asked to:</p> <ul style="list-style-type: none"> • Note the current situation with regard to the Trust's estate, the position following the reduction in the capital allocation for the new West Cumberland Hospital from £100 million to £90 million and the subsequent review of the design proposals. • Note the overall strategic approach, direction of travel and potential for site rationalisation and further development of the West Cumberland Hospital site as a health and social care campus. • Approve the way forward and next steps to be taken to achieve implementation of the necessary revisions to the originally approved Estates Strategy for the period up to 2014/15. • Receive a further updated Estates Strategy following the finalisation of the Full Business Case for the new West Cumberland Hospital. • Note the position in respect of the Tower Block building on the Cumberland Infirmary site. 		

Document previously approved by: Not applicable. Report directly to Trust Board.

Prepared by:
Alan Davidson
Director of Estates and Facilities
Management

Presented by:
Kevin Clarkson
Chief Operating Officer/Deputy Chief
Executive

**TRUST BOARD
ESTATES STRATEGY UPDATE
MARCH 2011**

1. INTRODUCTION

The Estates Strategy (2009-2014) sets out the Trust's strategic vision for supporting service delivery and ensuring a high quality, cost effective estate. This was approved by the Trust Board in October 2009.

Following the £10 million reduction in the overall capital allocation for the redevelopment of the new West Cumberland Hospital and the recent joint working with the GP Lead Commissioners on the Clinical Strategy, Stage 3 of the Laing O'Rourke (LOR) appointment is now nearing completion. The design of this redevelopment is now essentially agreed to meet the revised budget however until such time as the Final Business Case is approved, the Estates Strategy will need to remain flexible.

This report therefore seeks to:

- Summarise the Estates Strategy objectives and the current position.
- Address the provision of appropriate, clean and cost effective premises for patients, staff and visitors.
- Obtain Trust Board approval for the proposed way forward, allowing flexibility to meet the fast changing demands placed upon the Acute sector in North Cumbria.

2. ESTATES STRATEGY OBJECTIVES

The key objectives of the Trust's Estates Strategy can be summarised as follows:

- Delivering changes to the estate to support the ongoing implementation of NHS Cumbria's Closer to Home Strategy.
 - Addressing estate related risks including the management of backlog maintenance, health and safety, security and access control, sustainability and the Trust's Carbon Reduction Plan.
 - Addressing quality issues related to the patient environment in terms of privacy and dignity and patient amenities, including a significant increase in the number of single en-suite rooms.
 - Ensuring service efficiencies through improved healthcare planning resulting in improved clinical adjacencies.
-

- Monitoring key performance indicators for Estates and Facilities Management, including benchmarking and market testing to demonstrate value for money.
- Implementation of an agreed Carbon Management Plan.
- Facilitating site rationalisation and developing potential income from land sales and reduced revenue costs.

3. CURRENT POSITION

The Trust currently operates from two District General Hospital sites:

- Cumberland Infirmary, Carlisle.
- West Cumberland Hospital, Whitehaven.

The Cumberland Infirmary is a Private Finance Initiative (PFI) hospital completed in April 2000. As such, maintenance and operation of the estate at Carlisle is the responsibility of a private sector company, Health Management (Carlisle) PLC. The site generally provides a modern and well maintained environment with reasonable clinical adjacencies. Through PFI liaison meetings and the monthly Contract Review meetings a number of value for money improvements have been achieved, including the refinancing of the PFI scheme which has now been concluded. The major change from a property point of view, resulting from the refinancing, is the removal of the Tower Block building from the PFI agreement. Responsibility for the Tower Block building now sits totally with the Trust and as such these premises and the options available must be fully considered and agreed as part of the future strategy. Ongoing reviews will continue in order to deliver further cost improvements.

The West Cumberland Hospital site is now subject to a Procure 21 redevelopment. The scheme is currently being reviewed and a Final Business Case will be presented to the North West SHA in May 2011.

4. THE OVERALL STRATEGY

The major element of the Estates Strategy up to 2014/15 will be the replacement of the clinical facilities at the West Cumberland Hospital as the Trust's single largest physical asset. As previously identified, there are a number of issues which support the replacement, or significant reconfiguration of, facilities at Whitehaven. These are:

- The current West Cumberland Hospital has an internal floor area which is inefficient and costly to maintain.
 - Any premises designed in the 1950s will clearly struggle to meet current expectations with regard to quality, privacy and dignity.
 - Despite ongoing investment, the hospital presents a poor quality environment compared with modern hospitals, both internally and externally. This needs to be addressed in the context of patient choice and the sustainability of services.
-

- A major issue for the delivery of modern services is the poor clinical adjacencies. Travel distances between key departments are long and complex and are at present a barrier to service modernisation and efficiency. Way-finding for patients is also difficult given the dispersed nature of services across the site and the large number of entrances.
- General space utilisation and the land use at the current West Cumberland Hospital does not compare well with other high performing Trusts. The redesign proposals for the site have now been undertaken in such a way to allow site rationalisation and to facilitate the outsourcing of the residential accommodation. This should result in potential land sales therefore reducing revenue costs and also improving the standard of residential accommodation.
- In common with many other hospitals, car parking for staff, patients and visitors is perceived to be inadequate.
- There is a need to achieve reductions in major backlog maintenance costs.
- The development of a new energy centre for the West Cumberland Hospital site is required to maximise efficiency and to meet the stringent carbon reduction targets for 2015 and to also allow flexibility for further site development.

In recognition of the need to provide replacement facilities in West Cumbria a total of £90 million of capital funding has been identified. This development is recognised as a key part of the over-arching Energy Coast Master Plan for the economic and social regeneration of West Cumbria which enjoys the support of local stakeholders.

The redevelopment of acute services in West Cumbria also offers a number of other potential opportunities. Discussions continue with a number of external bodies regarding the potential for a “health campus” to be developed alongside the main acute facilities. Potential for other health and social care providers, education, residential accommodation providers, training and economic development uses have been identified which could offer mutual benefits and opportunities to share costs and facilities. These opportunities remain under discussion.

5. NEXT STEPS

As noted above, the major single piece of work in delivering the Estates Strategy is progressing the new West Cumberland Hospital. Work currently underway includes:

- Agreeing activity levels to be provided in line with the North Cumbria wide Clinical Strategy.
 - Finalisation and approval of the Full Business Case to deliver the new facilities in West Cumbria.
-

- Continuing discussions with other current or potential site users regarding the potential for a “health and social care campus”. This will help to define the overall size and function of the Trust’s estate in West Cumbria.

6. REVISIONS TO THE ESTATES STRATEGY

The current Estates Strategy (2009-2014) therefore remains valid and it will be updated in due course to take into account the issues described within this paper, namely:

- The FBC for the new West Cumberland Hospital
- The discussions regarding the potential for a “health and social care campus”
- Any options that are developed regarding the Tower Block building on the Cumberland Infirmary site.

7. RECOMMENDATIONS

The Trust Board is asked to:

- Note the current situation with regard to the Trust’s estate, the position following the reduction in the capital allocation for the new West Cumberland Hospital from £100 million to £90 million and the subsequent review of the design proposals.
- Note the overall strategic approach, direction of travel and potential for site rationalisation and further development of the West Cumberland Hospital site as a health and social care campus.
- Approve the way forward and next steps to be taken to achieve implementation of the necessary revisions to the originally approved Estates Strategy for the period up to 2014/15.
- Receive a further updated Estates Strategy following the finalisation of the Full Business Case for the new West Cumberland Hospital.
- Note the position in respect of the Tower Block building on the Cumberland Infirmary site.

Kevin Clarkson
CHIEF OPERATING OFFICER/DEPUTY CHIEF EXECUTIVE
