



Plenary briefing

Plenary Briefing is a new publication from the Welsh NHS Confederation for Assembly Members. The aim of the publication is to provide background information in advance of forthcoming health related plenary debates. If you have any queries about this publication, please contact jonathan.davies@welshconfed.org

Maintaining the NHS Estate : The £505 million challenge?

Over 2008/09, Welsh Health Estates report that backlog maintenance costs increased by almost £37 million to over £505 million. However, as their annual performance report describes, this statistic is to be used with caution.

The increase can be largely attributed to the inclusion of the Welsh Ambulance Services Trust (WAST) data, which added nearly £15 million, together with significant increases with the reported backlog costs for upgrading works to Morriston Hospital, Prince Philip Hospital, Cardiff Royal Infirmary and Ysbyty Gwynedd which, between them, contributed more than £33 million to the overall total.

Using a risk adjusted backlog (RAB) formula, Welsh Health Estates estimate the overall backlog maintenance figure is approximately £258 million. The RAB is widely regarded as a more appropriate indicator for the overall condition of the estate and, over time, it is anticipated that this method of reporting backlog maintenance will replace the one currently used.

In addition, there is an expectation that, over the next few years, backlog maintenance costs will see a clear downward trend as new facilities and major upgrading works replace old and inappropriate facilities.

The implementation of business cases relating to Prince Charles and Morriston Hospitals, Ysbyty Glan Clwyd and Ysbyty Gwynedd would achieve a reduction in excess of £200 million.

More significant changes to the profile of the estate are expected over the next two years as a number of older hospitals are expected to be replaced with new ones such as Ysbyty Ystrad Fawr in Ystrad Mynach and Ysbyty Aneurin Bevan in Ebbw Vale. Llwynypia Hospital is expected to be sold on completion of the second Rhondda Hospital late in 2009.

Welsh Health Estates

Welsh Health Estates (WHE) develop estate strategies for the NHS that support service plans, leading to the requirement for new buildings and the refurbishment of old stock.

Early disposal of the non-essential estate is vital if scarce resources are to be directed where they can be used more effectively. WHE manage a disposal programme which reduces surplus land area and the maintenance backlog.

The disposal programme is delivering significant benefits. By identifying essential and non-essential buildings, based on whether or not they have a health use exceeding five years, NHS organisations can dispose of stock with a short-term future as quickly as possible.

Data submitted by the NHS indicates that 163,967m² of building area has been identified as non-essential – a reduction of 40,119m² since last year. 71 ha of land have only a short-term future - a reduction of 30 ha since last year.

Welsh NHS estate at a glance

The current portfolio of NHS properties in Wales is diverse, complex and geographically widespread and comprises:

- A total land area of approximately 750 hectares;
- Approximately 120 hospitals of varying age, construction, size and function;
- Over 200 health centres and clinics;
- Approximately 50 mental health units;
- Approximately 90 ambulance stations;
- Over 160 miscellaneous properties in the form of offices, housing, storage and distribution warehouses.



Welsh NHS Confederation comment

Maintenance of the NHS estate is closely tied into the entire strategic direction of the health service. As the cost of repairs and renovations grow, the NHS must decide at what point buildings are no longer fit for the purpose of delivering safe and appropriate care. With an old and in some cases decaying NHS estate, carrying out maintenance work on all buildings, regardless of their condition, represents poor value for money for the citizen. Sometimes the best option is to close the building and provide services elsewhere. To be able to do this the NHS must be able to demonstrate to the public that services previously provided in a community facility will still be provided – but in a different way.

It is well known that the NHS faces a tremendous challenge in managing its resources. There are many conflicting priorities, of which maintaining the estate is one. Also on the list marked “urgent” are improving patient safety, cutting down waiting times, driving up quality, funding new drug treatments and improving cleanliness standards amongst many others.

The current portfolio of NHS properties in Wales is enormous, standing at over 120 hospitals, 200 health centres and clinics, and hundreds of other properties in the form of offices, ambulance stations and storage. The size of the task facing the NHS is not be under estimated.

More than half of the NHS estate is over 35 years old and a quarter over 55 years old. Keeping on top of all the maintenance issues this presents is not too dissimilar to the painting of the Forth Bridge. As soon as it's finished, you have to start all over again.

So how does the NHS in Wales go about tackling a £500 million maintenance bill? NHS estates departments make difficult decisions every day about what maintenance issues need to be prioritised. Where there are immediate threats to patient or staff safety, these jobs are sent straight to the top of the list.

But with many of our NHS buildings no longer being fit for purpose for the delivery of high quality healthcare, there has to come a point where we can't keep patching up all the things that need repair or renovation. Attempting to fix every maintenance issue on old out-moded buildings becomes merely a sticking plaster.

Which brings us on to the tricky subject of the future of some of our older buildings. There is strong feeling amongst local people when it comes to community facilities, and understandably so. After all, it is their taxes that have paid for them, their children who were born there, their family, friends and even themselves who have been cared for there.

If the health service believes that a building has become so unfit for purpose that it would be better to take it out of use, replace it and reorganise services, they must be prepared to give evidence and argue their case under very close public scrutiny. How the NHS engages with local people, and involves them in shaping future plans is crucial.

The age of some of our hospital buildings and their growing inadequacy to deliver modern day healthcare means that we have to think seriously about our priorities in maintaining the NHS estate, when the money could be better invested in more modern facilities and equipment. There's no easy answer: some of our smaller hospitals will have a future role to play, while others will not justify future investment. Similarly, some of our larger hospitals may be well placed strategically but still pose major upgrading problems.

It's been the overarching strategic direction for some time to deliver more services in the community much closer to people's homes. With improved care in the community, many people who currently go to hospital would not need to, or would not need to stay there for so long. There would be a double benefit from stronger community services – not only would we avoid unnecessary admissions, but it would result in more appropriate use of our hospitals.

Placing a spotlight on the state of our NHS buildings highlights once again our over-reliance on bricks and mortar, and the immediate and pressing need for us to do something about it. Prioritising investment will always be a challenge, but we must ensure we target our funds carefully to move more care out of our ageing hospitals, and provide more care in the community.

Going green

- Energy consumption is now 17% below levels reported in 1999-2000.
- Energy efficiency has improved by 20.4% during the same period; well above the UK Government target of a 15% reduction by 2010.
- Water consumption was 7% lower in 2008-09 compared with 2007-08.
- There has been a 7% reduction in volume of waste being sent to landfill compared with last year.

Statistical source: *Estate Condition and Performance Report 2008/09, Welsh Health Estates*