

NHS Lanarkshire's Property & Asset Management Strategy 2017-2022

Update statement (2017-18)



1st June 2018

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Executive Summary

The Property & Asset Management Strategy (PAMS) 2017 - 2022 aims to support NHS Lanarkshire's overall strategic vision and the delivery of its healthcare strategy "Achieving Excellence". It does this by identifying and prioritising the improvements and investments necessary for NHSL properties and other assets, as necessary to support quality healthcare delivery. This report is a summary annual review, undertaken by Property & Support Services Division (PSSD), since the last edition of the PAMS (2017-2022), approved by Board on 28th June 2017.

The 5 year PAMS looked back the preceding 12 months at the condition of the estate & other assets and set the basis of property & asset management strategy for the 5 year period from 2017-2022. This update report gives the first annual update on this current 5 year PAMS.

The Property & Asset Management Strategy aims to deliver the objectives of Achieving Excellence Healthcare Strategy approved by NHS Lanarkshire Board on 1st March 2017. PAMS is therefore written with direct linkage to the ambitions set out in this healthcare strategy and those within the joint strategic commissioning plans for North and South Lanarkshire Joint Integration Boards. With those strategies as the guiding lights for PAMS, the strategy looks ahead for the remainder of the 5 year term to 2022, in terms of three key questions;

1. Where are we now?

2. Where do we want to be? (to effectively manage the assets which are needed to meet the needs of Achieving Excellence); and

3. How do we get there?

The mission for the management of assets remains unchanged as set out in PAMS 2017 – 2022. In particular the configuration of the estate and assets needs to be designed to deliver an integrated Health and Social Care system which has a focus on prevention, anticipation and supported self management. Achieving Excellence fully reflects the ambitions of the National Health and Social Care Delivery Plan and the National Clinical Strategy and provides, in the Lanarkshire context, vision & direction for the appropriate use of health and care services. This approach ensures that patients are able to stay healthy at home, or in a community setting, as long as possible, with hospital admission only occurring where appropriate.

Future services, locally and nationally, will have;

- Primary Care with a more prominent role, treating more people without the need to refer to hospital.
- Secondary Care organised in 'centres of excellence' and networks of hospitals providing specific clinical services (as opposed to all clinical services as at present), thus making best use of skilled staff, specialised facilities and equipment to produce excellent outcomes.
- A new clinical paradigm which will ensure that patient value is enhanced by proceeding with minimally disruptive, realistic medicine.

The NHS Lanarkshire estate will by necessity change in profile over time due to primary objectives to;

- Provide accessible and safe services as locally as possible.
- Support people to live independently at home through integrated health and social care working.
- For hospital day case treatment to be the norm avoiding admissions where possible.
- To improve palliative care and support end of life services.

A key driver for the management of property assets will be to continuously improve the condition of the existing estate through investment in backlog maintenance and/or refurbishment. When this is not practicable, consideration is given to disposing of or repurposing properties deemed to be no longer applicable to the provision of models of care defined by Achieving Excellence. In the case where properties cannot be economically improved or service changing models of care, the strategy will be to seek capital investment for the re-provision of facilities which are no longer fit for purpose but in so doing, capitalise in the opportunities to invoke service change and improve models of care.

NHS Lanarkshire has a duty of care to provide a safe patient environment and environment which is fit for purpose and attractive for the recruitment and retention of staff who continue to provide excellent clinical services to the population of North and South Lanarkshire.

A key objective in the management of property assets is to provide this safe and efficient environment and to achieve statutory compliance with all obligations and reduce the value of 'backlog maintenance'. The current value of backlog maintenance for the period of 2017/18 has been assessed at £42.84m as of 31st March 2018. This represents an increase of £5.24m from the previous financial year 2016/17, but maintains a long term downward trend as illustrated in table 1.1 below;

Table1.1: The changing value of backlog maintenance over the last 5 years

Financial Year	Value of Backlog Maintenance
2013/14	£53.2m
2014/15	£57.8m
2015/16	£37.9m
2016/17	£37.6m
2017/18	£42.8m

1.0 Introduction

The Scottish Government Health Directorate's [Property Management Policy CEL 35 \(2010\) – \(A Policy for Property And Asset Management In NHS Scotland\)](#) requires that all NHS Boards have a property and asset management strategy which reflects the following policy aims:-

- To ensure that NHS Scotland's assets are used efficiently, coherently and strategically to support Scottish Government's plans, priorities and identified clinical strategies and models of care.
- To provide, maintain and develop a high quality, sustainable asset base that supports and facilitates the provision of high quality health care to achieve better health outcomes.
- To ensure that the operational performance of assets is appropriately recorded, monitored, reviewed and where appropriate improved.
- To ensure an effective asset management approach to risk management and service continuity.
- To support and facilitate joint asset planning and management with other public sector organisations.

Achieving Excellence aims to review and potentially re-profile services to form centres of excellence where appropriate to do so. Whilst plans for new clinical models are maturing, it is anticipated that some reconfiguration of space will be necessary over time to support this process. In addition a significant exercise is underway to form a Regional Delivery Plan for West of Scotland, which will heavily influence the chosen locations for delivery of future clinical models and services going forward. This is expected to drive a regional approach to investment and disinvestment in the estate over time.

This PAMS update looks back at performance over 2017/18 and looks ahead to expected investment in property, fleet, eHealth and medical equipment assets in 2018/19. It is the Board's current vision for realising the potential that its property and other assets have to play in facilitating change and improvement in service delivery, and thus modernising the NHS.

Methodology for Developing PAMS

The PAMS described in this report has been developed using an established process that continues to ask three basic questions in relation to the Board's assets;

1. *Where are we now?*
2. *Where do we want to be?*
3. *How do we get there?*

Where Are We Now?

The initial stage of developing the strategy analyses the current condition and performance of the Board's assets under the following facets:

- Physical condition
- Compliance with statutory standards
- Functional Suitability
- Utilisation
- Quality
- Environmental Management

The analyses provides a consistent approach to determining the condition and performance of NHS Estate.

Where Do We Want To Be?

This stage considers the improvements necessary in service delivery and the future provision of new models of care to address the requirements of the national and local services and policies. It aims to develop an understanding of what impact these service changes will have on the Board's assets. It also aims to set targets for improving the condition and performance of the estate, and for ensuring that all assets closely align with service needs for the foreseeable future, as per "Achieving Excellence".

How Do We Get There?

This final stage of the process involves identifying and prioritising the capital investment projects needed to deliver the Board's challenging programme for change and modernisation of services. In the current economic climate, producing a longer term investment programme is challenging and the Board will need to adapt its ambitions, and subsequent implementation processes, to match the reality of the Government's reductions in available capital investment. NHS Lanarkshire will also have to sustain its requirement to align the functionality of its assets portfolio with service needs, including service development and improvement.

PART A: WHERE ARE WE NOW?

About NHS Lanarkshire

NHS Lanarkshire is the third largest NHS Board serving a population of 656,490 (based on population estimates for 2018). It is now fully coterminous with North and South Lanarkshire Councils. The legal entity is the Lanarkshire NHS Board with a single Acute Division and two Integrated Joint Boards (IJBs) (North Lanarkshire & South Lanarkshire). A range of pan-Lanarkshire services are hosted by the IJBs, for example primary care (South IJB) and mental health (North IJB).

The population needs analysis which underpins “Achieving Excellence” predicts that the population is remain broadly static over the next 20 years.

The key about Lanarkshire’s population include:

- Lanarkshire’s population is expected to increase by only 1% by 2025;
- The over 75s population is expected to grow by 11% by 2020 and 29% by 2025, which is higher in Lanarkshire when compared to Scotland as a whole;
- There will be fewer children in the future population;
- There will be fewer people of working age in the future;
- Life expectancy is increasing in Lanarkshire; and
- Death rates from the so-called ‘big killer’ diseases of cancer, coronary heart disease (CHD) and stroke continue to falls but still caused almost half of all deaths in 2016.

NHS Lanarkshire employs around 12,000 staff over a geographic area of 2,181 square kilometres with annual expenditure of circa £1.35 billion in 2017/18.

2.0 NHS Lanarkshire’s Existing Estate Profile

Overall, NHS Lanarkshire (NHSL) Services are provided from 61 locations, with a total of 134 buildings on these sites, ranging in size from 15m² to 65,000m². However, the majority of these buildings are relatively small, with 131 buildings less than 10,000m², valued at circa £347m. In addition, NHSL deliver healthcare from properties which are not owned by NHSL but are occupied by the Board through PPP/PFI project agreements and commercial leases, most notably University Hospital of Wishaw and University Hospital of Hairmyres. University Hospital Monklands is owned by Scottish Ministers and managed directly by NHSL. All three NHSL Acute Hospitals recently underwent a name change in 2017, to reflect a new academic partnership agreement formed with University of West of Scotland and University of Glasgow Caledonian.

Table 2.1 below shows an analysis of estate by ownership with the gross internal area. NHS Lanarkshire performs services in a total of approximately 300,000m² with a majority 55% owned by Scottish Ministers and managed by NHSL directly. The remainder of the estate is operated by contracted parties. This presents a challenge for NHSL to ensure that safe patient environments are provided at all times and value for money is achieved through the contractual arrangements in place for these premises. Significant skills have been developed within Property & Support Services Division to ensure the effective management and optimisation of these contractual arrangements.

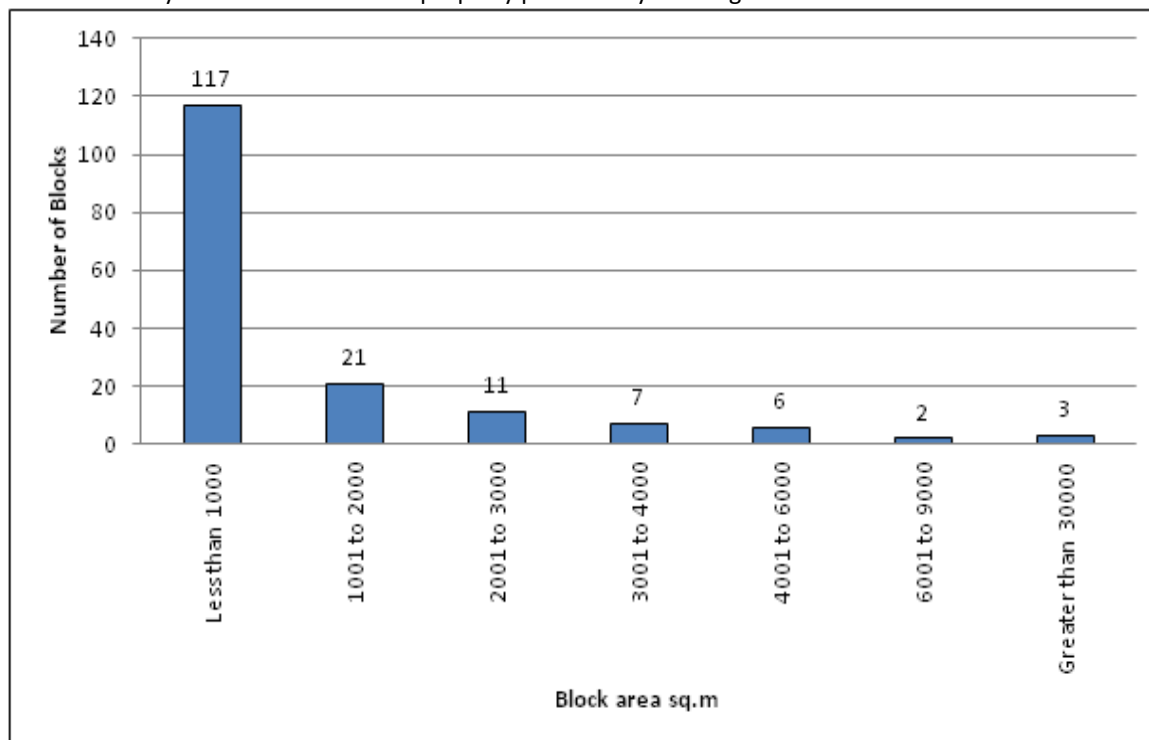
Table 2.1: An analysis of the existing estate by ownership

	Area (GIA) sqm	% of Total Area	Area (GIA) sq.m	% of Total Area
Year	Mar-17		Mar-18	
Owned By NHSL	164,652	55	164,650	55
PPP/PFI	109,196	37	109,196	36
Leased	8,216	3	7,929	3
Hub	16,509	5	17,728	6
Other (Non-operational)	1,388	Less than one percent	1,388	Less than one percent
Total	299,833	100%	300,891	100%

4th May 2018 Source: Estate Management System (GIA = Gross Internal Area)

Chart 2.1 below shows the spread of the size of premises across NHS Lanarkshire by building, with 117 of the 167 blocks making up 89 numbers of premises being less than 1,000m² in size. Only 3 buildings are larger than 30,000m² (the three main Acute District General University Hospitals).

Chart 2.1: Analysis of NHS Lanarkshire property portfolio by building size March 2018



4th May 2018 Source: Estate Management System

The net book value of owned premises is circa £226million, but in addition the Board uses buildings, which are the subject of PPP/PFI or Hubco agreements, and further commercial lease, all of which are out with this asset value, being privately owned.

Table 2.2 below shows that non-hospital space is 30% of the estate. With three District General Hospitals, Lanarkshire has a higher ratio of hospital areas to Health & Social Care Partnership (HSCP) areas, compared to those Boards with only one or two District General Hospitals.

Table 2.2: An analysis of the existing estate by building type

Analysis of Existing Estate				
Year	2016/17		2017/18	
	Area (GIA) sq.m	% of Total Area	Area (GIA) sq.m	% of Total Area
Hospitals-Acute (3no)	174,663	58	175,744	58
Community In-patient areas (12no)	35,335	12	35,467	12
Corporate Sites (including West of Scotland Laundry)*	18,227	6	17,714	6
HSCP North - Health Centres, Clinics Offices	31,795	11	39,131	13
HSCP South - Health Centres, Clinics and Offices	38,425	13	32,835	11
Other (Non-operational)	1,388	Less than one percent	1,388	Less than one percent
Total	299,833	100%	300,890	100%

4th May 2018 Source: Estate Management System

*Corporate Premises Kirklands HQ, Kirklands House, Bungalow, Law House & 14 Beckford Street, Kirklands HQ, Kirklands House, Bungalow, Law House & 14 Beckford Street

There has been a slight increase in the overall floor area between 2016/17 and 2017/18 with completion of the Monklands Critical Care Unit building, adding 1,081m² to the total area of the Estate.

Table 2.3 below shows the age profile of the existing estate. The general age of the estate has increased marginally as there were no new builds in 17/18 however the hospital estate has a relatively large proportion of comparatively modern facilities, which is heavily influenced by its three PPP/PFI hospitals and three HubCo Community Health Centres.

One of NHS Lanarkshire’s main Acute Hospitals (University Hospital Monklands), however, is now over 40 years old, which presents NHS Lanarkshire with potential risks and service restrictions. Overall, only 8% of the estate is over 50 years old, which presents evidence of a well-balanced investment programme on property assets over the last 50 years. The main challenge in coming years will be the increasing investment needs for those properties between 30 and 50 years old, which is a predominant issue for community healthcare properties in Lanarkshire.

University Hospital Monklands comes well within this category and is a significant challenge in terms of investment needs, places significant demands on Property & Support Services staff and resources, and requires continuous proactive management of potential business continuity risks posed by the building’s aging fabric and engineering services. This places a disproportionate demand on available capital and backlog maintenance revenue in order to ensure business continuity. These risks and demand for funding are expected to increase with time and are one of the main catalysts for the development of the Monklands Replacement/Refurbishment Project (MRRP). This major strategic project aims to provide a watershed in Achieving Excellence’s delivery through the refurbishment or replacement of University Hospital Monklands. The Scottish Government has now approved an Initial Agreement (IA) and good progress is being made towards completion of an Outline Business Case (OBC) in July 2019, consisting of 4 options for the replacement or refurbishment of University Hospital Monklands. These options range from do nothing, rebuild on Monklands to new or build on a new site.

Monklands currently accounts of £31.46m of NHSL’s total £42.84m of estimated backlog maintenance liabilities by the end of 17/18. If successful in achieving approval of OBC, a replaced or refurbished Monklands Hospital could be expected to trigger the removal of the majority of NHSL’s backlog figure as currently reported.

The biggest proportion (nearly half at 47%) of NHSL’s property falls into the 10 to 29 years old category and the minority (8%) is now over 50 years old. This spread of age profile presents significant challenges in managing backlog maintenance due to the life cycle anticipated in this age profile of buildings, as only 15% are less 10 years old.

Table 2.3: Age profile of the owned/PFI estate in 2017/18

Age Profile of the Estate						
	Age	Hospitals (Area/m ²)	HSCP North (Area/m ²)	HSCP South (Area/m ²)	Overall (Area/m ²)	Overall (%age)
Pre 1967	Over 50 years old	18,798	376	6,085	25,259	8%
1967-1987	30-50 years old	67,199	9,818	11,494	88,511	30%
1988-2007	10-29 years old	128,144	6,212	8,521	142,877	47%
Post 2007	Up to 10 years old	7,387	22,321	14,535	44,243	15%
Total		221,528	38,727	40,635	300,890	100%

4th May 2018 Source: Estate Management System

2.1 Current Assets Assessment

Since the implementation of CEL35: 2010, analysis is now based on SGHD's "**Risk based methodology for Property Appraisal**". This requires use of risk based methodology for property appraisal and is supported by the **EstateManager System** for data management, to produce information on the following facets of property appraisal information:

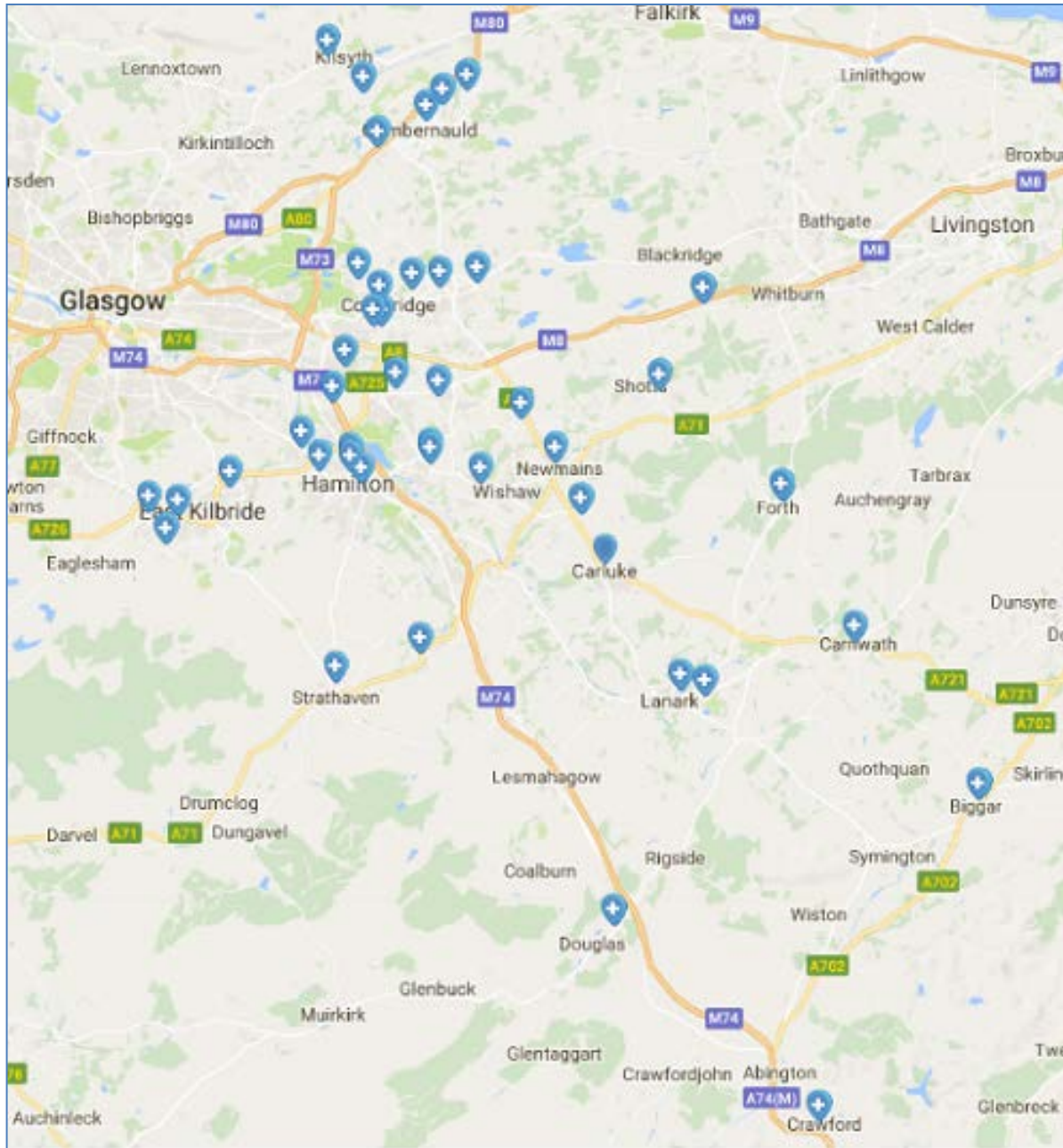
- Age Profile (including those funded under PFI/PPP)
- Physical Condition
- Backlog Maintenance
- Functional Suitability
- Space Utilisation
- Quality
- Environmental Performance

In 2017/18 with the support of Health Facilities Scotland (HFS) and our professional surveyors, NHS Lanarkshire surveyed 28% (84,310m²) of our property portfolio and in so doing, assessed life cycle costs elements through the physical surveys. Also in the period, in anticipation of the demands of the new GP contract, NHSL carried out surveys of our third party GP Practices' premises which make up 6% (18,588m²) of Healthcare properties in Lanarkshire.

2.2 Current Asset Locations

There are three district general hospitals, twelve in-patient areas, 42 Health centres and clinics within Lanarkshire. The geographical representation of the locations can be found on Map 2.1.

Map 2.1: Extract showing Location NHS Lanarkshire's Hospitals, Health Centres & Clinics



Each of the 3 Acute Hospitals has an emergency department and provides a range of specialist medical and surgical services e.g. Maternity Services are based at University Hospital Wishaw.

Health and Social Care is provided in the community and includes health centres / clinics, community health centres / day hospitals; as well as general practitioners (GPs), dentists, pharmacists, ophthalmists, health visitors and a wide range of allied health professionals. Some of these represent high quality estate that is designed for modern healthcare.

PART B: WHERE DO WE WANT TO BE?

2.2 NHS Lanarkshire's Response to the Asset Challenge

These challenges which have informed NHS Lanarkshire's current investment and this investment plans are outlined within this interim report, which will deliver the following specific outcomes:

- NHSL have a clear intention of eliminating all high and significant risks posed by premises, and a clear aspiration to have an estate as close to 100% being in condition A or B as possible. All high risk premises have been eliminated at this time and on-going significant investment in backlog maintenance is key to ensuring no more emerge. A balanced investment plan is therefore essential.
- Continued investment in improving facilities to further reduce backlog maintenance and statutory compliance risks at University Hospital Monklands, in line with the intent to replace this key but tired facility in due course.
- Undertake specific projects to address remaining significant risks categories of Backlog Maintenance and redress the 2% of properties still remaining in the "poor" category.
- Continued investment in the lifecycle replacement of medical equipment.
- Continued investment in the lifecycle replacement of vehicles and reducing NHS Lanarkshire's carbon footprint and manage vehicle transport risks.
- Seeking investment opportunities in projects which will improve the sustainability of the Estate, especially those which reduce utilities consumption, carbon impact and maximise associated financial savings.
- Develop and implement a strategy for delivering the six national eHealth strategic aims.

3.0 Asset Conditions & Performance

3.1 State of the Board's Property Assets

Physical Condition

When making investment and disinvestment decisions, NHSL apply the appraisal of physical condition of properties, based on Property Appraisal Guidance for NHS Scotland: A **risk based methodology for property appraisal** and examines individual building and engineering elements (depending on the type of property being appraised), and identifies the expenditure required to bring these elements back to a satisfactory condition.

The appraisal of physical condition looks at the condition of the individual building and engineering elements of a property to ascertain its overall condition.

The results from the appraisal of physical condition at the end of 17/18 are summarised in Table 3.1.

Table 3.1: The physical condition of the NHS Lanarkshire estate

Physical Condition of the Estate				
Ranking	A Excellent as New	B Satisfactory	C Poor Condition	D Unacceptable
Year	2016/2017			
Area sq.m (GIA)	30,856	221,641	44,807	0
Percentage of the estate (area) in each category	10%	75%	15%	0%
Year	2017/2018			
Area sq.m (GIA)	21,819	271,409	6,874	0
Percentage of the estate (area) in each category	8%	90%	2%	0%

4th May 2018 Source: Estate Management System

The results shown in Table 3.1 indicate that substantial part of the estate (98%) is now in a satisfactory / excellent physical condition, reflecting further refurbishment & backlog maintenance works during 2017/18.

The drop from 10% to 8% from category A to B is attributed to three Hubco Health Centres (Kilsyth, Hunter and Houldsworth), now being over 2 years old. Condition B is similar to condition A, except for an allowance for age related signs, but NHSL can expect the PFI and Hubco provided buildings to be maintained to condition B (satisfactory) at all times, in accordance with the contracts in place with private sector providers.

It is clear that NHS Lanarkshire maintains an improving overall picture in the period of the previous PAMS, with only 2% of the estate which is not currently in a satisfactory condition (is a poor condition), representing a decrease of 13% since 2016/17. This is attributed to the three properties identified that need improvement to their physical condition, as shown in Table 3.2.

Table 3.2: Properties identified as needing improvement to their physical condition

CHP Properties:		Hospitals and Community Facilities:	
L105H	Wester Moffat House	L106H	Monklands Hospital
L001A	Beckford Street		

Wester Moffat house has since been closed and is in 'set back' (minimal maintenance). Leading up to 2016/17 NHSL took a decision to not address all but the most critical parts of backlog maintenance at Beckford Street, as the potential existed to dispose of the property to a potential buyer. When this market interest did not materialise and after additional unsuccessful attempts to market the property, an acceptance was reached that progress should recommence to address backlog maintenance at Beckford Street and works were undertaken in 17/18, which will carry on into 18/19.

Functional Suitability of Buildings

The overall aim of the functional suitability appraisal is to assess how well a building supports the current and future (known demand) delivery of services. The appraisal of functional suitability is an important one since functionality can have a major impact on the organisation's ability to deliver effective and efficient services. Poor functional suitability often results in inefficient working practices, increased staffing levels, staff and patient dissatisfaction and poor clinical outcomes. Therefore, it is an important component of the organisation's overall performance. The levels of functional suitability are shown in Table 3.3 which showed no significant change overall in the period 2016/17 and 2017/18.

Table 3.3: Results from the appraisal of functional suitability

Functional Suitability				
Ranking	A Excellent as New	B Satisfactory	C Poor Condition	D Unacceptable
Year	2016/2017			
Area sq.m (Floor Area)	94,299	91,545	22,276	42,341
Percentage of the estate (area) in each category	38%	36%	9%	17%
Year	2017/2018			
Area sq.m (Floor Area)	114,338	111,329	22,080	51,151
Percentage of the estate (area) in each category	38%	36%	9%	17%

4th May 2018 Source: Estate Management System

NHS has identified four properties as being "Unacceptable", as shown in Table 3.4 and will be considered in future investment priorities.

Table 3.4 Properties identified as needing improvement to their functional suitability

CHP Properties		Hospitals and Community Facilities:	
L105H	Wester Moffat House*	L106H	University Hospital Monklands
L015B	Kingshill Medical Practice	L207H	Lady Home Cottage Hospital

*Wester Moffat House is currently not in operation.

Space Utilisation

Space utilisation is a complex and sensitive subject as it touches on staff sensitivities. The overall aim of this appraisal is to make a broad assessment of how well existing space is being used.

The appraisal attempts to answer three main questions:

- How intensively is the space being used i.e. is it empty, fully used etc?
- How does usage of the space vary over time?
- How does the space provision compare to national guidance (where applicable)?

The appraisal of space utilisation is an important one since the cost of owning space/property is significant. This expenditure, which includes capital charges, building and engineering maintenance, energy (heat, light & power), cleaning etc., is broadly correlated to space occupied/used. Hence, the aim is to hold only as much space as is needed to support the delivery of effective and efficient services.

In addition to the direct costs of space/property ownership, there are indirect costs such as those associated with overcrowding which can result in inefficient working practices and poor clinical outcomes, including issues relating to the control of infection.

Table 3.5 shows no change in the period with 95% of the available space being “Fully Utilised”. Overcrowding percentage is unchanged in the period however overall the GIA has reduced from 6,309m² to 4,981m².

NHSL invested in an infra-red remote monitoring system (called OccupEye), which when fitted over a period of weeks or months, continuously monitors occupancy rates of spaces, with a view to improving space utilisation and/or identifying under occupancy. This gives key data which presents opportunities to further rationalise the Estate or otherwise increase usage of assets.

Table 3.5: Results from the appraisal of space utilisation

Space Utilisation				
Ranking	E Empty	U Under Utilised	F Fully Utilised	O Overcrowded
Year	2016/2017			
Area sq.m (Floor Area)	1,296	6,775	237,377	6,309
Percentage of the estate (area) in each category	0.5%	2.5%	95%	2%
Year	2017/2018			
Area sq.m (Floor Area)	363	9,027	285,846	4,981
Percentage of the estate (area) in each category	Less than one percent	3%	95%	2%

4th May 2018 Source: Estate Management System

NHS Lanarkshire has identified three properties as being overcrowded, as shown in Table 3.6 and these will be considered in future investment priorities.

Table 3.6: Properties identified as Overcrowded

Primary Care Estate		Hospitals	
L204B	Motherwell Health Centre	L106H	University Hospital Monklands
L201B	Biggar Health Centre		

NHS Lanarkshire considerably rationalised office accommodation during 2010-2012 and further in 2017-2018. The Corporate approach facilitated through NHS Lanarkshire’s Property Strategy Group continues to allow regular review of the use of office and clinical accommodation across the estate in line with the healthcare strategy, with a view to implementing a further property rationalisation plans. The aim of the plan is to reduce NHSL’s property portfolio by making more efficient use of the current estate and providing an opportunity to terminate leases or sell properties and reduce operating costs, as opportunities arise.

During 17/18, NHSL were successful in developing and implementing proposals to further rationalise the Estate, culminating the ability to terminate the lease for Quarry Street Hamilton and repatriate services into Douglas Street clinic, which was assessed through the use of Occupeye, as having capacity to accommodate mental health services. This allowed for the NHSL to reduce lease costs and vacate premises which was no longer fit for purpose. In addition plans are at an advanced stage to vacate and potentially sell Coathill House, through a similar exercise of repatriating services and further rationalising the Estate.

In addition, income opportunities have been taken to lease accommodation in partly underutilised buildings, such as Law House. An example has been the move of Lanarkshire Unison’s offices into NHSL premises and an income generated for NHSL, whilst providing a closer base for Partnership representatives to interface with NHSL staff.

Appropriate business cases will be developed with a view to implementing ‘Smarter Offices’ principals in office accommodation such as Law House and Kirklands. Where properties are identified as being under-utilised, projects will be developed to vacate non-clinical premises with potential disposals of redundant assets where they relate to under-utilised office type accommodation.

Quality

Quality is whether the available accommodation provides (as defined in Property Appraisal Manual) a comfortable, modern, pleasing environment in which healthcare services can be provided.

Table 3.7 shows similar results to that of functional suitability, with the main difference being the assessment of Monklands Hospital affecting category C for quality and D for functional suitability. 76% of the estate (by floor area) is now been appraised as having a “Satisfactory” or “Very Satisfactory” ranking.

Table 3.7: Results from the appraisal of quality

Quality Appraisal				
Ranking	A Very Satisfactory	B Satisfactory	C Not Satisfactory	D Unacceptable
Year	2016/2017			
Area sq.m (Floor Area)	94,754	94,465	60,180	0
Percentage of the estate (area) in each category	38%	38%	24%	0%
Year	2017/2018			
Area sq.m (Floor Area)	114,338	114,338	72,214	0
Percentage of the estate (area) in each category	38%	38%	24%	0%

⁴th May 2018 Source: Estate Management System

Eleven properties of NHS Lanarkshire's sixty properties were identified as being "Not Satisfactory". Two of the eleven properties are vacant or surplus and in the future, plans to dispose of the remaining sites will be considered in future investment priorities. As shown in Table 3.8

Table 3.8: Properties identified as needing improvement to their Quality

Primary Care Estate		Hospitals	
L235L	Crawford Clinic	L307H	Caird House
L204B	Motherwell Health Centre	L105H	Wester Moffat Hospital (offices)
L109C	Croy Clinic *	L207H	Lady Home Hospital
L202C	Forth Clinic	L209H	Lockhart Hospital
L419C	Muirhead Clinic	L206H	Kello Hospital
		L106H	University Hospital Monklands

*Now Vacant

Salus PIP Contract Leased Accommodation

The introduction of the DWP Personal Independence Payment Scheme (PIP) in 2013 presented an ongoing opportunity for NHS Lanarkshire (Salus) to provide an important public service, ensuring that those who qualify for benefit receive a fair and consistent assessment.

The contract is managed through a Steering Group chaired by the General Manager (Salus). The Steering Group reports to the Salus Board, which in turn reports regularly to the NHS Lanarkshire Corporate Management Team and Board on progress and contract performance.

The management of the leased and licensed properties necessary to fulfil these contracts, as detailed Table 3.9, is carried out by NHS Lanarkshire PSSD, on behalf of Salus. Servicing and Maintenance is carried out (at a local level) depending on the agreed conditions of lease/licence and arranged by the leasee/leaser as appropriate. Salus has been successful in tendering for additional contracts and the demand for suitable accommodation is growing. Where possible this is contained within the NHSL Estate, however additional leased premises have proven appropriate where geography dictates or lack of available fit for purpose space is not readily available.

It has yet not been possible to enter details of these leased and licensed properties to the Estate Asset Management System (EAMS). This is because the Information Services Division (ISD) allocated site codes include a geographic Board identifier, which means it is not possible to allocate a site code to a property out with NHSL's geographic area. This matter has been raised with ISD for further consideration.

Table 3.9: List of Leased or Licensed Properties associated with Salus PIP Contract

Address	Lease/Licence Start Date	Lease/Licence Termination Date
The Bridge, 225 Argyle Street , Glasgow	13 th March 2013	31 st March 2018
1 Osborne Terrace, Haymarket, Edinburgh	1 st May 2013	30 th June 2019
Lochthorn Medical Practice, Dumfries	1 st May 2013	30 th Sept 2019
Waverley Medical Practice, Stranraer	24 th July 2013	30 th Sept 2019
Beresford Court, Ayr	1 st April 2013	30 th Sept 2019
Belford Mill, Kilmarnock	1 st May 2013	30 th Sept 2019
Ormidale Sports Pavilion, Isle of Arran	1 st May 2013	30 th Sept 2019
182 St Vincent Street, Glasgow	11 th Jan 2016	10 th Jan 2020

Condition of Independent Contractor Premises

Introduction

There are a range of independent contractor facilities which provide a supporting role to NHS Lanarkshire in the delivery of health and care services across the locality.

This amounts to 103 main GP practices, 16 branch GP practices, 139 dental practices, 141 pharmacies, and 99 ophthalmic opticians. The pharmacies and opticians are currently on the EAMS with a temporary site code.

It is essential that the GP's premises in Lanarkshire positively contribute to the delivery of healthcare services for the citizen of Lanarkshire. With the introduction of the new GP contract in 2018, additional focus has been placed on understanding the condition and value of 3rd party provided GP premises.

In order to develop an overall property strategy for Lanarkshire, it became necessary to carry out a physical survey appraisal of the existing GP's premises as a baseline assessment of the current NHS Lanarkshire estate. NHSL undertook to survey all GP (non NHSL) premises ahead of a decision to undertake a national survey programme. This was in anticipation of the new GP contract so that NHSL could assess potential implications. This built upon the desktop appraisal of GP premises condition as reported in PAMS 2017-2022 and allowed a much greater and more accurate appreciation of the condition of GP premises. This includes all premises which were both owned and leased by GPs, but excluded NHSL premises which host GP services, as PAMS traditionally assessed these already. By taking stock of the existing GP's premises, future investment priorities can be identified, together with opportunities for improvements.

The Scottish Government Health Directorate's Property Management Policy CEL 35 (2010) – "A Policy for Property & Asset Management in NHS Scotland" and "The National Code of Practice for GP Premises" (2018) *requires that all* NHS Boards have property and asset management strategies that reflect the following policy aims:

- To ensure that NHS Scotland assets are used efficiently, coherently and strategically to support Scottish Government's plans and priorities and identified clinical strategies and models of care.
- To provide, maintain and develop a high quality, sustainable asset base that supports and facilitates the provision of high quality health care and better health outcomes.
- To ensure that the operational performance of assets is appropriately recorded, monitored and reviewed and, where appropriate improved.
- To ensure an effective asset management approach to risk management and service continuity.
- To support and facilitate joint asset planning and management with other public sector organisations.

Current GP's Asset Arrangements

The current market rent of GP premises is circa £2.6m which are a mix of GP owned, leased and rented premises.

There are 103 main GP practices and 16 branch GP practices totally to 119 GP practices with NHS Lanarkshire catchment area of which;

- 58 Main Practices are accommodated within 26 NHSL Properties;
- 16 Main Practices are Leased;
- 29 Main Practices are Owner Occupied; and
- 8 Branch Practices are Leased; and
- 8 Branch Practices are Owner Occupied.

Table 3.10 shows an analysis of the GP Practices ownership and accounts for 31% of the total number of Practices and GP leased Practices is 20%. The gross internal area (GIA) of owned occupied, leased and cost rent is 18,588m² which would add on 6% (GIA) to the Board's reported GIA of 299,833m².

Table 3.10: An analysis of the GP Premises by ownership

	No of Practices	Area (GIA) m ²	% of Practices
Year	Mar-18		
GPs in Board Properties	58	Accommodated in 26no. NHSL Properties	48%
Owned	37	10,071	31%
Leased	24	8,517	20%
Total	119	18,588	100%

31st December 2017 Source: Surveying Partners (Estate Management System)

Table 3.11 shows the age profile of the GP Premises. The majority of the GP Premises (60%) are between 10 - 29 years old and 14% of the GP Premises are over 50 years old. The main challenge in coming years will be the increasing investment needs for those properties between 30 and 50 years old.

Table 3.11: Age profile of the GP Premises in 2017/18

Age Profile of the Estate					
	Age	GPs (Area/m ²)	HSCP North (Area/m ²)	HSCP South (Area/m ²)	Overall (%age)
Pre 1967	Over 50 years old	2,608	479	2,129	14%
1967-1987	30-50 years old	3,658	1,502	2,156	20%
1988-2007	10-29 years old	11,177	4,943	6,234	60%
Post 2007	Up to 10 years old	1,145	590	555	6%
Total		18,588	7,514	11,074	100%

31st December 2017 Source: Surveying Partners (Estate Management System)

Current State of GPs' Premises

Physical Condition of Buildings

The appraisal of physical condition is based on Property Appraisal Guidance for NHS Scotland: A risk based methodology for property appraisal and examines individual building and engineering elements depending on the type of property being appraised and identifies the expenditure required to bring these elements back to a satisfactory condition.

The appraisal of physical condition looks at the condition of the individual building and engineering elements of a property to ascertain its overall condition. The results shown in Table 3.12 indicate that substantial part of the GPs premises (91%) is in a satisfactory physical condition.

There are issues to be addressed in terms of the physical condition, as 9% of the GP Properties is not currently in a satisfactory condition (i.e. a poor condition).

Table 3.12: The physical condition of the GP premises 2017/18

Physical Condition of the Estate				
Ranking	A Excellent as New	B Satisfactory	C Poor Condition	D Unacceptable
Year	2017/2018			
Area sq.m (GIA)	0	16,993	1,595	0
Percentage of the estate (area) in each category	0%	91%	9%	0%

31st December 2017 Source: Surveying Partners (Estate Management System)

Functional Suitability of GP Buildings

The overall aim of the functional suitability appraisal is to assess how well a building supports the current and future (known demand) delivery of services. The appraisal of functional suitability is an important one since functionality can have a major impact on the organisation's ability to deliver effective and efficient services. Poor functional suitability often results in inefficient working practices, increased staffing levels, staff and patient dissatisfaction and poor clinical outcomes. Therefore, it is an important component of the organisation's overall performance.

A questionnaire was issued to each General Practitioner to be completed by key personnel and then interviews were carried out by the building surveyor on three of the six facets (**Functional Suitability, Quality and Space utilisation**) to confirm the GPs' responses. The overall results from this engagement to determine the level of functional suitability are shown in Table 3.13.

Table 3.13: Results from the appraisal of functional suitability

Functional Suitability					
Ranking	A Excellent	B Satisfactory	C Poor Condition	D Unacceptable	Unreported
Year	2017/2018				
Area sq.m (GIA)	9,198	4,470	1,402	544	2,974
Percentage of the estate (area) in each category	49%	24%	8%	3%	16%

31st December 2017 Source: Surveying Partners (Estate Management System)

The functional suitability table above shows the percentage in each category of functional suitability; overall the square metreage of premises show categories C and D has 11% of the overall floor area. However 16% of the overall GIA is unreported.

Space Utilisation of Buildings (across NHSL Estate)

Space utilisation is a complex and sensitive subject as it touches on staff sensitivities. The overall aim of this appraisal is to make a broad assessment of how well existing space is being used.

The appraisal attempts to answer three main questions:

- How intensively is the space being used i.e. is it empty, fully used etc?
- How does usage of the space vary over time?
- How does the space provision compare to national guidance (where applicable)?

The appraisal of space utilisation is an important one since the cost of owning space/property is significant. This expenditure, which includes capital charges, building and engineering maintenance, energy (heat, light & power), cleaning etc., is broadly correlated to space occupied/used. Hence, the aim is to hold only as much space as is needed to support the delivery of effective and efficient services.

In addition to the direct costs of space/property ownership, there are indirect costs such as those associated with overcrowding which can result in inefficient working practices and poor clinical outcomes, including issues relating to the control of infection.

Table 3.14 shows 75% of the available space being “Fully Utilised” and a total of only 6% of the available space being “underutilised”, with 3% available space being “overcrowded”. However 16% of the overall GIA is unreported.

Table 3.14: Results from the appraisal of space utilisation

Space Utilisation					
Ranking	E Empty	U Under Utilised	F Fully Utilised	O Overcrowded	Unreported
Year	2017/2018				
Area sq.m (GIA)	0	1,094	13,894	626	2,974
Percentage of the estate (area) in each category	0%	6%	75%	3%	16%

31st December 2017 Source: Surveying Partners (Estate Management System)

Quality of Buildings

Quality is whether the available accommodation provides (as defined in Property Appraisal Manual) a comfortable environment in which healthcare services can be provided.

Table 3.15 shows 71% of the available space is “very satisfactory” or “satisfactory” and a total of 10% of the available space being “Not satisfactory” with 3% available space being “Unacceptable”. However 16% of the overall GIA is unreported.

Table 3.15: Results from the appraisal of quality

Quality Appraisal					
Ranking	A Very Satisfactory	B Satisfactory	C Not Satisfactory	D Unacceptable	Unreported
Year	2017/2018				
Area sq.m (GIA)	5,595	7,690	1,785	544	2,974
Percentage of the estate (area) in each category	30%	41%	10%	3%	16%

31st December 2017 Source: Surveying Partners (Estate Management System)

Backlog Maintenance (GP Premises)

In order to identify high risk factors in the GP's premises which need to be addressed urgently in comparison to those that can be programmed into an estate investment planning process over a longer period, it is necessary to carry out a risk assessment. This covers those items in category B, category C and category D where remedial action costs have been identified (i.e. costed items with a remaining life between 0 and 4 years).

Risk assessments of life cycle cost replacements from Year 5 onwards are not required.

The investment needed to bring the GP Premises back to an acceptable condition ("Backlog Costs") is summarised in Table 3.16. This investment need has been risk assessed to produce the profile shown, showing a picture in 2017/18, was £1.35m. This figure is not included in NHSL's reported backlog value as it relates to premises not currently owned by Scottish Ministers nor managed by NHSL. It is understood that the new GP contract anticipates that there will be a gradual shift of ownership of more GP premises to NHSL/Scottish Ministers. NHSL therefore intend to remain sited on third party GP premises' condition and anticipated backlog maintenance value.

Table 3.16: Risk profiled backlog / statutory compliance costs (as 31st December)

Backlog Maintenance/Statutory Costs				
Risk Category				Total £ (000)
Year 2017/18				
Low	Moderate	Significant	High	Total
636.2	552.2	150	6.4	1.345
47.31%	41.06%	11.15%	0.48%	100.0%

31st December 2017 Source: Surveying Partners (Estate Management System)

3.2 Statutory Compliance & Assurances

Statutory Compliance (Property)

Health Facilities Scotland developed the **Statutory Compliance Audit and Risk Tool (SCART)**, a national audit system used to support Health Boards in assessing current levels of property related statutory compliance. PSSD have appointed a dedicated SCART manager who works to a 5 year audit plan, and reports audit findings using a prescribed process.

In November 2016, HFS launched a new on-line reporting tool that has improved the usability and flexibility of the system for all Boards. NHSL reported a compliance score for 2017/18 of 93%, compared to the national average of 57%.

The audit programme for 2017/18 was determined by referring to the previous year's topic and site scores and also the backlog maintenance priorities identified within EAMS. This resulted in audits being carried out on 3 of the 39 SCART topics.

SCART topics Audited:

- 1) Oil Storage;
- 2) Confined Spaces;
- 3) Washer Disinfectors.

The audit results showed across all topics that actions and tasks were being completed, with only minor omissions in the administration of some paperwork, which were quickly corrected.

All findings are reported 6 weekly at the PSSD Statutory compliance meetings. Activity on SCART is also reported by the Head of Estates Projects, Compliance & PFI Contracts Performance in the monthly report to the PSSD Divisional Management Team. This ensures the Head of Maintenance and other PSSD senior managers are aware of any shortcomings and take appropriate action relating to their areas of responsibility. An annual report on SCART compliance is also tabled, for approval, at NHS Lanarkshire's Planning, Performance & Resource Committee (P&PRC).

3.3. Backlog Maintenance

The investment required to bring the estate up to an acceptable condition is known in the NHS as "Backlog Costs", since it arises from the backlog of maintenance that has built up over a number of years and is now giving rise to poor property condition and performance.

The guidance defines backlog costs as the base costs required to rectify the deficiency and bring the element/sub element up to an acceptable condition (*Condition A or B*). The guidance is also very clear in stating that Backlog Costs should be expressed as works costs (that is, the base cost to undertake the work). Additional costs that are dependent upon the project solution chosen (for example fees, VAT, decanting and temporary services to other areas) should be excluded from backlog costs, but included in the overall cost of investment required when projects are being approved.

As part of the overall appraisal of condition, it is also recognised that there is a need to assess the risks associated with the continued deterioration and/or failure of estate assets. This is achieved using the NHS Scotland Risk based methodology for Property Appraisal guidance. The risks associated with sub-standard assets that are assessed as *high* and *significant* risks should be addressed as a priority, and included as part of estate investment planning process. The costs reflect the prices as at Quarter I, 2018 which has been set by HFS as the 'Base' year using Building Maintenance Information Service (BMI) all-in Maintenance Cost Indices. These baseline costs reflected in this paper are current under review by HFS with a potential significant percentage uplift anticipated.

The consequences of failing to address the poor condition of the estate are clear:

- Increasing risk of building/engineering systems failure resulting in service interruption.
- Increased risk to patients - including Infection (HAI)
- Failure to comply with statutory requirements and increased potential litigation
- Low staff morale and recruitment difficulties
- Accelerated deterioration – increased short term capital investment needed.
- Increasing value of backlog maintenance and therefore growth in future investment requirements.

The national property appraisal risk-based methodology for establishing and maintaining backlog maintenance costs is well-presented, and clearly explains the approach to be employed to prioritising spend on backlog maintenance. This recommended approach has stood the test of time, and has proven to be an extremely valuable managerial tool, both locally and nationally. The national guidance recommends a detailed survey across a range of building and engineering infrastructure elements including fire, environmental and statutory by external building surveyors. These initial surveys are carried out by external surveyors and are then reviewed by PSSD Maintenance Managers.


This review pays particular attention to those areas which initially generate significant and/or high levels of assessed risk. NHS Lanarkshire's approach to corporate risk management is then applied. This results in a more accurate picture with respect to the assessed risk to patient safety and business continuity. The approach ensures that the investment required is prioritised into those premises which require improvement sooner than others.

The introduction of the property appraisal guidance and *Estate Manager* has enabled an improved unified understanding of appraising properties and assessing backlog maintenance costs, through a consistent risk prioritised approach.

(This investment need has been risk assessed to produce the profile shown, showing a current backlog maintenance value of £42.84m). The vast majority of this (£31.46m) is attributable to University Hospital Monklands on its own, and £11.38m for the rest of the estate. The backlog maintenance value of non-operational properties (such as Wester Moffat House) is circa £2.064m, thus reducing the backlog value to £40.78m for operational premises. The investment needed to bring the estate back to an acceptable condition ("Backlog Costs") is summarised in Table 3.17.

In the event that the OBC is approved for the MRRP project and that a full business case is successful, NHSL could expect to see up to £31.46m eliminated from the backlog maintenance liability figure, depending upon the option selected for MRRP.

Table 3.17: Risk profiled backlog / statutory compliance costs

Backlog Maintenance/Statutory Costs					
Risk Category				Total £ (m)	Annual Trends
Year 2016/17					
Low	Moderate	Significant	High		
12.4	15.8	9.4	0	37.6	
33%	42%	25%	0%	100.0%	
Year 2017/18					
Low	Moderate	Significant	High		
12.8	18.9	9.1	0	40.8	
32%	46%	22%	0%	100.0%	

4th May 2018 Source: Estate Management System

The value of assessed backlog maintenance investment needs on operation buildings at the end of 17/18 was £40.78m. Overall, there has been an increase of £5.2m (£3.2m being in operational buildings) in the backlog maintenance value since 2016/17, however the value of high risk maintenance items remains 0% and there has been a 3% decrease (improvement) in the value of significant risks.

In 2017-2018 NHS Lanarkshire surveyed 28% of our properties to inform future life cycle needs and estimated costs. These additional surveys have enabled a more up to date picture of the condition of properties, further informing backlog maintenance costs. Other cost increases can be attributed to an inflation rate of 3.12% and a generally aging profile of buildings. This is the first time in the past 3 years that this value has increased for NHSL, partly due to the fact that there have been no notable demolitions of high backlog value buildings as there had been during the period of the construction of the 3 new HubCo Health Centres during the preceding 2-3 years.

A summary of the properties with significant backlog maintenance costs or a significant increase since 2016/17 is provided below.

- University Hospital Monklands – backlog for the hospital has increased by circa £1m.
- Beckford Street – this former Board Headquarters is a listed building in the centre of Hamilton, with significant backlog associated with the roof, windows and stonework. Works to re-roof the building commenced in 2017-18 and are planned for completion in early 2018.
- Greenhills Health Centre – backlog maintenance costs have increased significantly for this property due to the failure of the flat roof. Works to replace the roof are planned for completion in 2018-19.
- Coathill Hospital – the switchgear is at the end of life and is planned for replacement in 2018-19.
- Kirklands Hospital and associated current Headquarters buildings - additional backlog costs are associated with repairs to rainwater goods and pitched roofs; improvements to building management system, with budget allocated within 2018-19 for priority works.
- Coatbridge Health Centre – drainage failures have significantly increased backlog maintenance costs, with surveys being undertaken in 2018-19 to fully assess remedial works and costs.

- Law House – electrical distribution boards are nearing their end of life although they are in acceptable condition for now.

If the backlog total is addressed, it will do little to improve the functionality of existing properties or to modernise them for future use, but will address Business Continuity issues, statutory compliance and several potential risks in relation to the building.

There is also a need to understand and plan for the disruption to existing operational services which would inevitably be involved in this scale of work. Any practical programme for undertaking the work will need to comply with the requirements of HAI Scribe, patient safety, dignity and to allow for decanting space/facilities. In addition, the practical approach to undertaking this scale of work would be to combine it with refurbishing and upgrading to bring departments up to modern standards. Without such refurbishment, the quality of environment for patients and staff is likely to deteriorate. Generally speaking, during any service improvement/change building projects, NHSL will take the opportunity to address any backlog maintenance works needed as part of those works.

It is important to recognise that the full investment/project costs will need to increase to include fees, VAT, builder's preliminaries, contingencies and decant. Whilst the extent of these additional costs will depend on the solution adopted for executing the work it is none the less likely to result in a substantial percentage increase on the £40.78m identified above.

3.4 Environmental Management Strategy

Introduction

This section reviews NHS Lanarkshire's success in improving its management of the environment and focuses on Sustainable Development, Climate Change Adaptation, Biodiversity Reporting, Energy and Water consumption, Waste Management and NHS Lanarkshire Fleet and Staff Business Travel.

Background

NHS Lanarkshire is the organisation responsible for leading efforts to improve the health of the people of Lanarkshire and has a Sustainability Policy supported by a Sustainable Development Action Plan (SDAP). This strategy and Action Plan contains initiatives, underpinned by projects that relate to sustainable development and climate change adaptation and aim to comply with CEL 2 (2012).

These initiatives include:

- Ensuring compliance with The Climate Change (Scotland) Act 2009, and the more recent RPP3 which places duties on public bodies relating to climate change. In 2015 the Scottish Government introduced an Order requiring Public Bodies to report annually on their compliance with Climate Change Duties.
- Ensuring compliance with the Energy Performance of Buildings Directive (2009/91/EC) by displaying Energy Performance Certificates in all qualifying sites.
- Development of an Environmental Management System (EMS), which is Corporate Greencode for NHS Scotland.
- Adoption of the Sustainability Assessment Tool (which has replaced the Good Corporate Citizenship Assessment Model) to create an integrated approach to managing corporate environmental, social and economic impacts.
- Inclusion in the mandatory Carbon Reduction Commitment - Energy Efficiency Scheme (CRC-EES), which requires participants to monitor their CO₂ emissions based on their energy use in buildings and buy allowances for each tonne of CO₂ they emit.

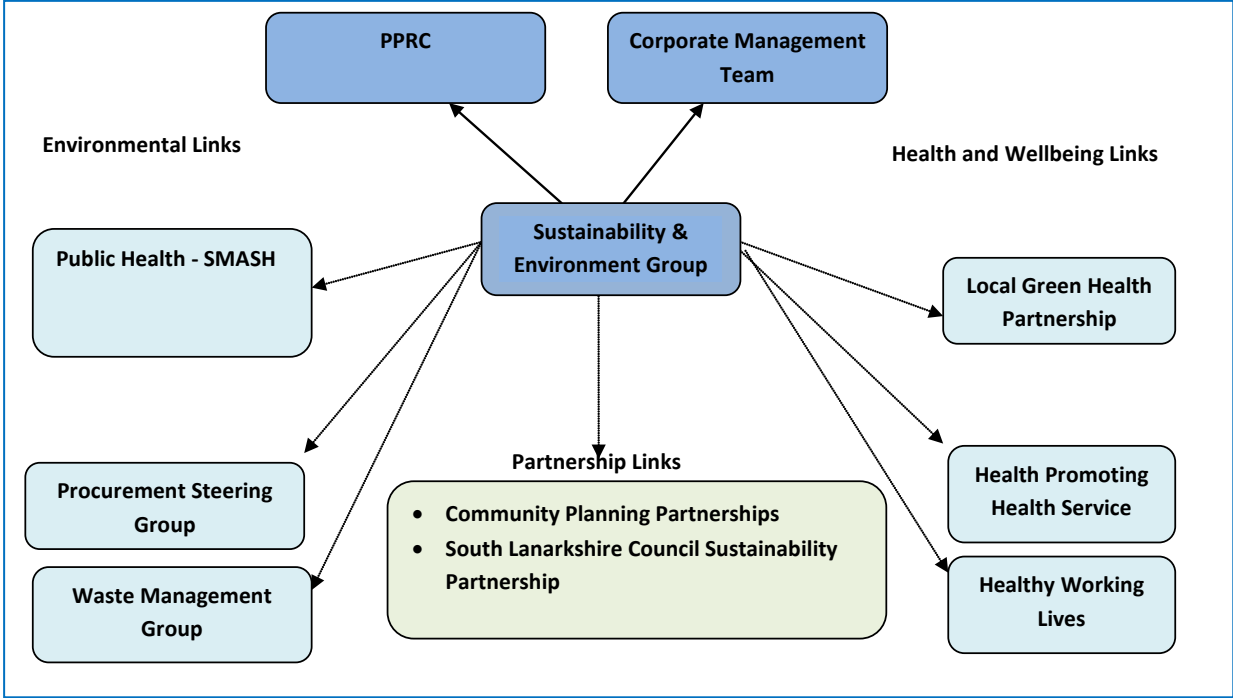
Governance Arrangements

NHS Lanarkshire recognises that to deliver the plan effectively, appropriate governance, management, monitoring, and communication structures must be in place. The governance to oversee and deliver these processes is set out below in Table 3.18 & Figure 3.1:

Table 3.18: Sustainability & Environment Group

Colin Sloey	Director of Strategic Planning & Performance
John Paterson	Director of PSSD
Terry Dunthorne	General Manager Procurement
Gordon Smith	Head of Finance
Marie Porteous	Head of Sustainability and Environment Manager
Marysia Waters	Communications Manager
Donald Wilson	General Manager eHealth / ICT
Adrian Hargan	IT Customer Services Manager
Harry Campbell	Head of Technical Services

Figure 3.1: Partnership & Health and Wellbeing Links



The NHS Lanarkshire Sustainability & Environmental Group manages the Board’s Sustainable Development Action Plan (SDAP) which contains a number deliverables across the Sustainable Development Agenda including;

- Energy use in buildings;
- Corporate Greencode;
- Sustainable Procurement;
- Staff Training & Behaviour Change;
- NHS Lanarkshire Fleet & Staff Travel;
- Waste Management;
- Climate Change Adaptation; and
- Biodiversity.

NHS Scotland Energy & Greenhouse Gas Emissions Targets

NHS Lanarkshire Energy and GHG (Greenhouse Gas) emissions targets (introduced in 2013) are designed to not only achieve NHS Scotland's contribution to the Climate Change Act (CCA) targets but to also ensure that NHS Scotland continues to lead by example within the public sector. As noted above the Scottish Government also requires “Major Players” to report progress annually via the Public Bodies Climate Change Duties Report.

The targets also ensure that NHS Scotland contributes to the Scottish Government's National Outcome to "reduce the local and global environmental impact of our consumption and production" as follows;

All qualifying organisations are required to submit their report by 30th November annually. As such 2017-18 data will be reported in the 2018-19 PAMS Report.

The following Tables 3.19 to 3.21 demonstrate that NHS Lanarkshire is on track to meet the 2020/21 targets although continuing progress is dependent on service requirements.

Table 3.19 - Public Sector Climate Change Duties Report

Reference Year	Year	Year Type	Scope 1 (tonnes)	Scope 2 (tonnes)	Scope 3 (tonnes)	Total (tonnes)	Comments
Baseline carbon footprint	2013-14	Financial (April to March)	14,766	16,811	1,705	33,282	The Baseline is 2013-14, which is different from the NHS Target reports which use a 3 year average baseline and is weather corrected.
Year 1 carbon footprint	2014-15	Financial (April to March)	13,630	17,189	3,223	34,042	Clinical Waste has not been included as conversion factors are not available.
Year 2 carbon footprint	2015-16	Financial (April to March)	16,989	15,528	3,283	35,800	Clinical Waste has not been included as conversion factors are not available.
Year 3 carbon footprint	2016-17	Financial (April to March)	14,862	14,966	3,383	33,211	Clinical Waste has not been included as conversion factors are not available.
Year 4 carbon footprint	2017-18	Financial (April to March)	TBC	TBC	TBC	TBC	2017-18 data will be reported to Scottish Government by 30 th November 2018 as per scheme guidance.

NHS Lanarkshire has a number of actions in place to ensure that the national energy efficiency and CO₂ emissions targets are met by 2020/21 thus reducing the financial burden of The Carbon Reduction Commitment – Energy Efficiency Scheme. Table 3.20 shows recorded data that has not been weather corrected.

Table 3.20: Progress against the Energy Efficiency Reduction Target

	Gas		Electricity		Degree Days
	kWh	Tonnes	kWh	Tonnes	
Baseline	85,318,803	13,843	33,277,842	15,999	3,452
2014-15	67,649,468	12,513	34,324,039	17,260	3,321
2015-16	88,100,351	16,250	34,378,677	15,737	3,548
2016-17	78,190,889	14,387	36,599,832	15,091	3,493
2017-18	83,013,440	15,258	35,266,539	13,453	3,464

The baseline for the new Energy & Greenhouse Gas Emissions targets is based on an average of 2011/12 to 2013/14 with the reporting period covering 2014-15 to 2020-21. The following table shows tracked reductions in kWh and CO₂. It should be noted that the targets are not year-on-year targets and the 6.79% target is a straightforward reduction through to 2020-21.

Table 3.21: Data for Energy Efficiency and CO₂ Reduction Target

	TOTAL	TOTAL
	kWh	Tonnes
Baseline	118,596,645	29,842
2014-15	105,238,772	29,773
2015-16	120,040,615	31,988
2016-17	117,826,118	29,468
2017-18	117,968,529	28,711
2018-19	-	-
2019-20	-	-
Target 2020-21	117,410,679	27,872

NHS Lanarkshire Progress

NHS Lanarkshire continues to work on the identification of energy efficiency and carbon reduction schemes. A number of projects that have been surveyed and costed in-house were successfully carried out in 2017/18. Table 3.22 details the energy savings projects carried out in the period.

Table 3.22: Energy Savings Projects 2017-18 – Spend to Save

Project Description	Spend (£)	Energy Saving (kWh)	Carbon Saving (tonnes)	Payback (years)
Installation of various energy saving measures at Monklands Hospital, including LED lighting installation to corridors/meeting rooms; Replacement of external SON lighting with LED and insulation of steam pipes.	£103,865	375,500	101	3.2
Wishaw University Hospital – Lighting Replacement	£164,559	587,913	224	4
Installation of LED lighting to Abronhill HC	£14,882	21,600	8	2.9
Installation of LED lighting to Cleland Hospital	£27,336	156,600	59	2.1
Installation of LED lighting to Condorrat HC	£16,320	6,482	2	2.9
Installation of LED lighting Blantyre HC	£16,690	16,200	6	3
Insulation of Suspended ceiling at Airbles Road Clinic	£10,188	205,128	37	2.5
TOTAL	£353,840	1,369,423	437	

In late 2017 a new, larger rated combined heat & power unit was installed at University Hospital Wishaw. NHSL also past funded the increase in transformer capacity to optimise the additional electricity yield. This unit is working well and delivering significant reductions in grid electricity consumption. Performance of the unit will be closely monitored and report on via the Public Sector Climate Change Duties report.

In 2016/17 NHS Lanarkshire made a successful bid for Scotland's Energy Efficiency Programme funds funding (SEEP Phase 1), specifically Low Carbon Infrastructure Transition Programme (LCITP) funding, in partnership with South Lanarkshire Council. This work was completed in 2017-18 and the funding allocation of £25,634 was used to carry out further energy efficiency projects.

Phase 2 SEEP funding was obtained in partnership with North Lanarkshire Council in 2017-18 and the first tranche of projects, including the installation of LED lighting improvements at Abronhill and Condorrat Health Centres has been completed. The funding of £10,232 was used to purchase and install LED lighting at Cleland Hospital.

Climate Change Adaptation

In 2017-18 NHS Lanarkshire carried out further work on the Climate Change Risk Assessments across the NHS Lanarkshire Estate. The risk assessments were developed to help the Board identify and quantify opportunities and risks that climate change poses for the organisation's functions, responsibilities and infrastructure. These risks are also incorporated into the Board's planning processes to reduce NHS Lanarkshire's vulnerability to the impacts of Climate Change.

Buildings / Facilities

It is positive that NHS Lanarkshire has continued to fund energy saving schemes internally year on year and this is evident from NHS Lanarkshire's SDAP and CRC – EES annual reports. While good progress continues to be made, it is recognised that new opportunities for energy efficiency schemes will be more challenging to identify and deliver than earlier schemes already implemented. With positive changes in the grid emission factor for electricity, even if NHS Lanarkshire does not take action to reduce carbon emissions, they will still gradually fall over time. The new RPP3 targets however are extremely challenging, meaning that more intensive energy and carbon reduction schemes have to be identified to enable the Board to continue to meet its targets.

Waste

In March 2017 HFS issued DL (2017) 03 - NHS Scotland Waste Management Action Plan 2016-2020. In response NHS Lanarkshire has developed a strategy and range of measures to ensure that the Board meets the targets set out in the Plan, as follows;

- NHS Lanarkshire is fully compliant with the current Waste Scotland (2012) Act and has measures in place to remove food waste from the general waste stream / macerator disposal route;
- further segregation is also in place for glass, plastic waste, batteries, furniture, metal, WEEE (electrical equipment) and cardboard; and
- there is currently no national method of record clinical waste tonnage data at Board level this is being addressed by HFS sustainability team

Table 3.23 details the key waste regulatory requirements facing NHS Boards.

Table 3.23: The key waste regulatory requirements facing NHS Boards

Year	Requirement	Source
2017	Reduce waste arisings by 7% against a 2011* baseline	Making Things Last strategy
2020	Landfill ban on biodegradable municipal waste	Waste (Scotland) Regulations 2012
2025	Maximum 5% of waste to landfill	Making Things Last strategy
2025	Reduce waste arisings by 15% against a 2011* baseline	Making Things Last strategy
2025	70% recycling rate	Making Things Last strategy
2025	Reduce food waste arisings by 33% against a 2011** baseline	Making Things Last strategy

* WMSG suggests using 2012/13 as a baseline year for residual waste as a complete data set for all NHS Boards is available. ** WMSG suggests using 2015/16 as a baseline year for food waste as a complete data set for all NHS Boards is available.

NHS Lanarkshire currently works with a supplier with a recycling rate of 97%. The DMR (dry mixed recycle) is taken directly to the clean mixed recycling facility (MRF) and segregated. All other municipal waste is taken to the dirty MRF and undergoes further segregation to extract useful DMR, where the current recovery rate is 65%. The supplier works on a zero waste to landfill basis by recycling as much as possible and using what can't be recycled for energy recovery.

The following Tables 3.24 to 3.26 demonstrate NHS Lanarkshire's progress against the difference waste streams.

It is positive that the amount of dry mixed recycling has continued to increase and that there is a corresponding decrease in general waste. There was an increase in paper shredded /confidential waste due to the addition of Wishaw and Hairmyres University Hospitals to the contract.

Table 3.24: NHS Lanarkshire Tonnage by Waste Stream

Waste Stream	2015-16	2016-17	2017-18
Dry Mixed Recyclates (mixed collections of paper, card, metal cans and plastics in dedicated waste bins and not in general domestic waste bins).	175	193	199
Separately Collected cardboard (compacted and uncompact).	58	65	52
Separately collected paper and confidential paper waste (shredded & un-shredded).	458	756	783
Separately collected metal waste including drink and food cans.	0	0.5	0.2
Separately collected glass waste.	2	3	3.2
Separately collected plastic waste.	35	36	36
Separately collected battery waste.	0	0	0
Separately collected fluorescent tube waste. (lighting waste)	2	1	0
Separately collected food oils, mineral oils and synthetic oils waste.	2	2	2.5
Separately collected waste electrical or electronic equipment (WEEE) for recycling or recovery.	21	16	18
Other separately collected waste destined for recycling or recovery.	103	71	68
Garden Waste	Not recorded	2.5	5.2

It should be noted that NHS Lanarkshire have met the 2017 target and that work should continue to assist the Board in meeting the longer term vision of a 15% reduction in all wastes by 2025 (from 2011 levels).

Table 3.25: Mixed Waste – Off Site Reclamation Facility (MRF)

Waste Stream	Baseline Year	Baseline (tonnes)	2016-17	2017-18	Target (tonnes)	Comments
Mixed domestic waste sent to an offsite reclamation / recycling facility receiving the waste.	2012-13	2,227	1,555	1,473	2,071	Reduce waste arisings by 7% against a 2012-13 baseline by 2017.

NHS Lanarkshire is fully compliant with the current Waste Scotland (2012) Act and has measures in place to remove food waste from the general waste stream / macerator disposal route.

Table 3.26: NHS Lanarkshire food waste arisings

Waste Stream	Baseline Year	Baseline (tonnes)	2016-17	2017-18	Target (tonnes)	Comments
Separately collected food waste.*	2015-16	213	172	176	143	Target is a 33% reduction by 2025

NHS Lanarkshire is on track to meet the 2025 target and has a number of initiatives in place to reduce food waste such as the Menu Pick system at Monklands University Hospital.

Fleet & Staff Travel

In April 2015 NHS Lanarkshire piloted a Pool Car scheme for the grey fleet, which is made up of staff using their own vehicle on business. In place of mileage claims, staff in high mileage teams has been provided with either a car share vehicle, a pool car (Switched on Fleets – Grant Funded vehicle) or a short term hire car. In 2017-18 the NHSL received grant funding from the Scottish Government to lease 3 ultra low emission vehicle (ULEV) to support the existing fleet and car pool scheme. NHS Lanarkshire continue to reduce staff mileage, as follows;

Table 3.27: NHS Lanarkshire mileage trends

Business Travel	2014-15	2015-16	2016-17	2017-18
Grey Fleet	4,950,461	4,876,091	N/A	4,621,839
Lease Car Mileage	2,836,091	2,727,671	N/A	2,303,407

Biodiversity / Green Space / Our Natural Health Service

Under the Nature Conservation (Scotland) Act 2004, all public bodies are required to further the conservation of biodiversity when carrying out their responsibilities. Following an amendment in the Wildlife and Natural Environment (Scotland) Act 2011, every three years public bodies are also required to publish and make publically available their report on the actions they have taken to meet their biodiversity duty.

In January 2018 NHS Lanarkshire published its report for the period 2015/18 as follows;

The Lanarkshire Greenspace Health and Wellbeing Partnership was the first of its kind nationally and were established in 2013. The programme recognised the benefits of greater coordination between health and environment sectors to achieve health benefits from green space and included members from the statutory and voluntary sectors locally, as well as national partners such as Scottish Natural Heritage and Paths for All. In 2017 an opportunity arose for NHS Lanarkshire to connect with the national “Our Natural Health Service Action Programme” and become one of five Local Green Health Partnerships across Scotland which will co-ordinate cross-sectoral action between the health, social care and the environmental sectors. Both North & South Lanarkshire has urban and rural geographies and partners will seek to capitalise on environmental assets locally for the improvement of health and well-being.

Future

NHS Lanarkshire is updating their Energy Strategy which has a live Project Register. This will include a list of energy efficiency and carbon reduction projects that will assist the Board in meeting the targets in the updated Climate Change (Scotland) Act 2009 – RPP3.

It is a priority for the organisation to develop an NHS Lanarkshire Biodiversity Action Plan and where practical local Biodiversity Action Plans (BAPs). The immediate challenges for NHS Lanarkshire are to identify and prioritise climate change impacts posing greatest threat to the organisation.

3.5 State of the Board's Office Accommodation

In keeping with the “Smarter Offices” and NHSL Accommodation and Space Management Policy and supporting procedures NHSL aims to improve utilisation of properties across the NHSL estate. A strategic approach to accommodation has been developed, to achieve the following benefits:

- Provision of affordable support accommodation to the NHS that is better able to respond to future changes in strategic direction
- Improved quality of working environment which facilitates the retention and recruitment of staff
- Improved availability of staff welfare facilities promoting positive staff morale.
- Flexible, well designed, efficient space that is able to cope with uncertainty around future property needs, support opportunities to change working practices, and introduce new technology
- Supporting Scottish Government environmental sustainability agendas through the appropriate procurement, design and operation of its property assets.
- Maximised opportunities for staff to develop and deploy their knowledge, skills and personal qualities creatively to add value to the organisation.
- More integrated/collaborative working and thereby encourage better use of skills and resources.
- Synergies from shared use of accommodation and support services.

The table 3.28 shows NHS Lanarkshire's position in relation to these benchmarks since 2017 along with NHS Lanarkshire's position in relation NHS Scotland Boards benchmarks. There is a notable increase in the total cost per sq.m. for this type of accommodation from £81 to £165 however this still remains below the national average for all boards of £190.. The increase in the total cost per square metre can be attributed to the following factors: the Board's significant investment in backlog maintenance at Beckford Street (a listed building with backlog maintenance costs in excess of £1m), new boiler at Law House, together with backpay paid for increase in staff costs when Domestic staff were re - graded from Band 1 to Band 2. In addition there has been an increase in utilities costs & newly included Portering costs not previously in the 2016/2017 soft FM calculation.

Table 3.28: NHS Lanarkshire's Office Accommodation Costs 2016/17 – 2017/18

NHS Lanarkshire Office Accommodation Costs										
Year	Space Standard (sq.m NIA)		Desk to WTE NIA	Rent/sq .m NIA	Rates / sq.m NIA	Service Charge/ sq.m NIA	Hard FM/ sq.m NIA	Soft FM/ sq.m NIA	Energy Cost/ sq.m NIA	Total Cost/ sq.m NIA
	Space per WTE	Space per desk								
2017	6	7.3	82%	0	£28	0	£25	£14	£16.4	£81
2018	8.4	7.3	115%	0	£26	0	£78	£39	£21	£165
NHS Scotland Board's average 2016	12	12	97%	£83	£39	0	£16	£20	£25	£190
Change Variance	3.6	4.7	18%	0	£13	0	62	19	£4	£25

3.6 State of the Board’s Medical Equipment

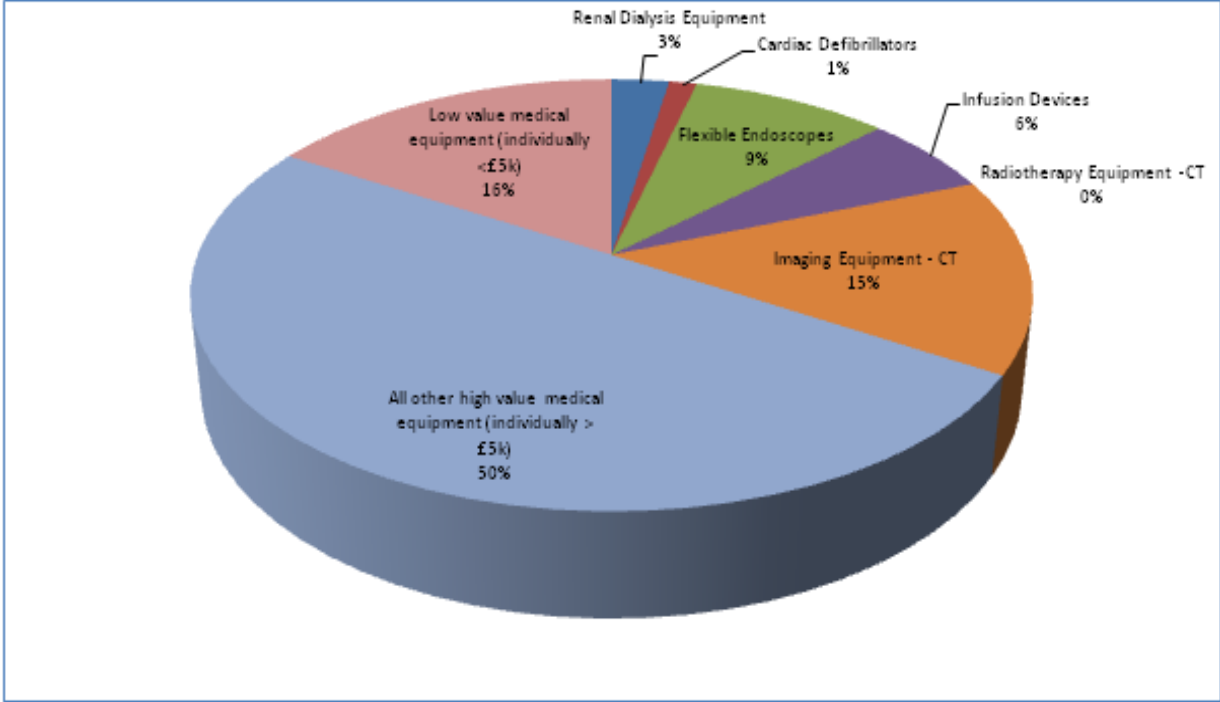
The following section provides an overview of Medical Equipment assets which brings together condition and performance information on these other assets alongside NHS Lanarkshire's property assets.

The procurement of Medical Equipment is devolved into two main categories:

- i. General Medical Equipment;
- ii. Radiology Equipment.

NHS Lanarkshire has circa 3000 medical equipment assets with an overall estimated replacement value of £65m (excluding laboratory which are covered under a management service agreement and x-ray equipment £10.5m). Chart 3.1 below provides a breakdown of the value of each equipment type.

Chart 3.1: A breakdown of Medical Equipment Replacement Value (£)



The status of the medical equipment within each of the identified main headings is summarised below:

General Medical Equipment

The Medical Physics, Radiology and Procurement Departments play a critical role in co-ordinating the medical equipment requirements for all wards and departments across the organisation. Replacement of medical equipment is informed by NHS Lanarkshire's healthcare strategy (local and national) and enactment of replacement equipment criteria (see below).

It is constantly under review as the equipment investment strategy also has to respond to service developments and unforeseen events, such as equipment failures, that have implications for the safe operation of NHS Lanarkshire.

The investment prioritisation criterion for medical equipment is updated annually and generally consists of:

- Category 1 - Equipment that is used to monitor or deliver treatment in critical settings and if not replaced could result in serious deterioration in health or potential death.

- Category 2 - Equipment touches on Category 1, but alternative options may exist on other sites. The patient would require the procedure/intervention within a time limited period. There would be some risk as there would be a delay in delivering the service.
- Category 3 - Equipment that is required to maintain and improve capacity to deliver waiting time and other national guarantees.

In 2017/18, NHS Lanarkshire invested £6.3m in replacement of medical equipment. The investment in replacement medical equipment is 9.7% of the overall replacement value for medical equipment which suggests a full replacement cycle of circa 10 years. It should be noted that the funding available during 2017/18 was higher than previous years and a return to lower investment is expected in years to come. Therefore this figure is not a true reflection on the overall replacement activity; however the cost to keep pace with replacing medical equipment alone is of the order of circa £5.3m per annum.

Table 3.29: Investment Plan in Medical Equipment

5 Year Property & Asset Management Investment Programme – Medical Equipment				
2017/18 £M	2018/19 £M	2019/20 £M	2019/20 £M	2020/21 £M
6.3	5.3	5.3	5.3	5.3

Radiology Equipment

The Radiology service is responsible for the direct provision of diagnostic and interventional services to patients throughout Lanarkshire on a 24/7 basis. The major pieces of Radiology equipment that are owned by NHS Lanarkshire are based at the Monklands and Hairmyres sites. Radiology equipment sited at University Hospital Wishaw is provided as part of the PFI Contract.

Laboratories Equipment

As of April 2013 the Laboratory Service became a Managed Service with assets transferred to the provider under a seven year contract arrangement. The provider is required to equip the laboratories to meet the requirements of the contract specification.

3.7 State of the Board’s Vehicular Fleet

Current Status of NHS Lanarkshire's Vehicle Assets

All corporate vehicles operated within NHS Lanarkshire are managed in line with the drivers, vehicle procedures with the daily operational responsibility being held by the departmental management team. The transport department, which is a part of Property and Support Services Division (PSSD) hold the ‘O’ license and have overarching responsibility to ensure local management is following the required procedures for all corporate vehicles.

With the exception of the agricultural and dental vehicles which are owned, the remaining fleet is hired or leased in line with national contracts and the Government Procurement Service, using the multi quote system.

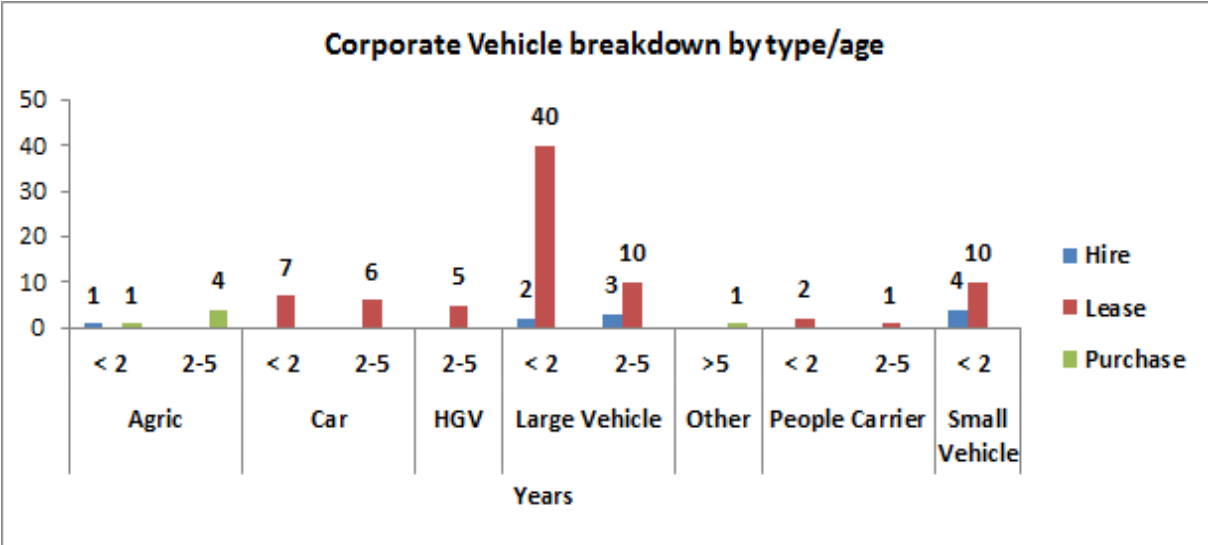
Staff leased cars are managed in line with NHS Lanarkshire Car Leasing Policy, with the operational management being undertaken by a dedicated team in NHS Lanarkshire finance department.

The current fleet consists of 1030 vehicles which comprises;

- 933 Staff Leased Cars
- 81 Corporate Leased Vehicles
- 10 Corporate Hired vehicle
- 5 Agricultural Plant (Owned)
- 1 Other (Owned)

The corporate vehicle asset by type and age profile is shown in the Chart 3.2 below:

Chart 3.2: Corporate Vehicle Assets by Type and Age Profile



Source 10th May 2018

The overall expenditure on corporate fleet and staff car is as shown in Table 3.30 below.

Table 3.30: Annual Capital and Revenue Expenditure for NHSL Corporate Fleet and Staff Car Scheme

Description	Expenditure NHSL 2017-18 £	No. of Vehicle NHSL 2017/18	Av. per Vehicle NHSL 2017/18 £	NHSS 2016-17 Av. per Vehicle £
Insurance & accident costs (net cost)	702,290	1030	682	614
Fuel costs	517,786	1030	503	1,163
Maintenance & Servicing costs owned vehicles	26,090	6	4,438	4,135
Leased vehicle costs	396,184	81	4,891	2,886
Hired vehicle costs	25,761	10	2,576	5,174
Staff car scheme lease costs	2,516,967	933	2,697	3,547
Staff contribution towards private use	(1,450,831)	As above	(1,555)	(1,831)
Total Net Costs NHSL 2017/18	2,734,247	1030	-	-
Total NHSS Net Costs 2016/17	42.26M	9,780		4,321

Source 10th May 2018

NHS Lanarkshire's fuel costs are higher than the national average, the main factors for this being that NHSL laundry provides services beyond the Board's boundary (Ayrshire & Arran and Dumfries & Galloway) as are samples/mail also mail/samples, with maintenance services cover a wide geographical area of 2,181 km².

- During 17/18 NHSL, following a tendering exercise, have replaced 83% of the corporate fleet transferring from long term hire to fully managed lease arrangements for 3, 4 and 5 year period, dependant on planned annual mileage. This was a national departure from previous reliance on spot hires, saving in excess of £40,000pa.

Challenges faced in the management of Vehicle assets

In partnership with the NSS Fleet Unit a National Framework Agreement has been put in place to allow greater use of vehicle telematics, improving accountability, optimisation of routing, auditability of driving style to reduce speeding/harsh braking which should all reduce use of fuel.

On-going changes in delivery of patient services means that there is a need to continually review usage and types of vehicles, with recalibration of the numbers and types of vehicles needed in the corporate fleet to meet service changes and operational demands.

The main focus for future investment is to drive down both costs and environmental impact associated with operation of the corporate fleet and staff travel. This will be achieved through changes in national and local policy requiring investment in a "greener fleet".

There will a reduction in fuel costs from a switch to alternative fuel vehicles although the vehicle selected will require to be appropriate to service requirements around range, charging and re-fuelling options. Reducing the emissions associated with petrol/diesel fuelled vehicles will enable the Board to meet its published annual emissions targets.

3.8 State of the Board's IM&T Assets

Introduction

NHSL's IM&T asset strategy over the period that this report covers will be driven by a number of factors. In light of the recent cyber-attack incident NHSL will re-assess strategic investment decisions to ensure key ICT risks are fully managed/mitigated. Consideration will be given to ensuring that ICT assets fall within manufacturers support/warranty and that these assets are fully maintained in line with manufacturers' guidelines / best practice.

The need to provide access to information and systems across the estate and close to the point of care, is already, and will see even greater levels of investment in mobile technology as well as the security software to protect data captured on such devices. This will be the case in Acute as well as Community settings allowing clinicians to be "mobilised" when accessing data, information and guidelines at the point of contact with the patient. This will see a significant shift in the balance from traditional desktop systems to tablets and laptops and a consequent increase in the cost of ownership in respect of initial purchase and on-going support costs.

For many years NHSL has transferred much of its physical server estate to virtualised systems in order to reduce costs and acquire greater efficiency in the use of hardware. NHSL will continue this trend over the strategy period. Significant challenges remain in respect of vulnerabilities that exist due to the running of systems on older unsupported operating systems and desktop applications. In order to meet these challenges NHSL will explore opportunities offered by recent industry trends in respect of cloud hosting and "software as a service" options in order to provide for flexible and maintained systems in accordance with industry standards.

Aspects of NHSL's data network require modernisation because of the age and technical performance characteristics of the system. The section entitled Network Infrastructure quantifies this. The main drivers for investment in network infrastructure are avoidance of risk due manufacturers support and parts availability for older equipment as well as the need to support emerging trends in the use of desktop equipment i.e. mobile devices and the availability of wireless. The latter is increasingly demanded by staff in community settings.

Following the enactment of the Public Bodies (Joint Working) Act (2014) in April 2016, there have been increasing pressures from service users and senior managers in the Health and Social Care Partnerships (North and South in Lanarkshire) to enable and improve access to systems for staff working as part of combined Health and social care teams often from locations which are not part of the NHSL infrastructure. Following a consultancy exercise and approval by both North and South Lanarkshire Health and Social Care Partnerships, more detailed planning will take place that will result in the integration of aspects of each agencies infrastructure with Health.

Management and provision of Desktop software is being reviewed with the increasing presence of cloud based options such as Office 365 from Microsoft for the delivery of office productivity software. One of the benefits of cloud based solutions is that the responsibility for maintaining such software is shifted from local support to the software vendor reducing complexity at local level.

Many of the themes alluded to above require a shift in the balance of capital to revenue in the future provision of IT software and hosting services. This is a theme explored below within the context of specific examples.

End User Devices

NHSL continues to operate a rolling programme of replacement of end user devices to support changes in demand of clinical care. The current breakdown of end user devices and their age as detailed in Table 3.31 below:

Table 3.31: Age profile end user devices

Age (in years)	Jan 2018	%
<1	1,850	17
1 to 2	4,161	38
2 to 3	2,447	22
3 to 4	1,060	9.6
4 to 5	839	7.2
5 to 6	685	6.2
6 to 7	6	Less than one percent
7 to 8	0	0
8 to 9	0	0
9 to 10	0	0
Total	11,042	100

Source January 2018

The table 3.31 above shows that whilst some significant progress has been made in the past 2 financial years a higher proportion of desktop to the 1 to 4 year age range (93.8%) a reduced number of desktop are in the 5 to 10 year age range (6.2%) highlighting the increased investment over the period. Moreover it is anticipated that, as technology advances in clinical applications allow greater mobility, the split of assets between fixed and mobile devices will shift more in the direction of laptops and tablet devices. This will generate an increase in the overall capital asset value of the end user device estate.

Server Infrastructure

Since 2008 NHSL has moved along with industry trends to a virtual server environment to reduce costs, increase hosting density and reduce management complexity. This means that there is considerably less physical assets in use as servers with the exception of General Practice which has still a significant physical server estate. As the landscape for General Practice Clinical Systems moves towards a cloud hosting model it is anticipated that this area will follow the same industry trend towards virtual rather than physical assets. The age profile of the current physical server estate is broken down as detailed in Table 3.32 below:

Table 3.32: Age profile server infrastructure

Age (in years)	Jan 2018	%
0-3	40	18
3 to 5	132	59
5 to 7	20	9
Over 7	32	14
Total	224	100

In continuing to follow industry trends, NHSL intends to continue utilising virtualisation technology for its server infrastructure whilst working towards a strategy of adopting Cloud based computing technologies such as Infrastructure as a Service (IAAS), Software as a

Service (SAAS) and Platform as a Service (PAAS). This is to ensure such systems are highly available, flexible and maintained at a technology level in step with current industry standards.

Network Infrastructure

As the end user computing environment changes and computing becomes ever more mobile, investment in wireless networking will increase across the organisation. Currently around 10% of NHSL network edge termination equipment can support wireless access points. This is forecast to grow by an additional 5% this financial year.

In terms of the current network assets the majority of core equipment is greater than 5 years old and much is end of life. Funding is in place to replace this core networking equipment this year to ensure all equipment at the core is modern and backed by manufacturer support in all cases. Core Network assets are typically layer 2 switches that are located at the centre of the Local Area Networks on each of the hospital sites. They are typically responsible for network segmentation and managing network connections between sites.

Edge network assets are those network switches that directly manage end user connections to the local area network in each site. Again as with Core network equipment the table below shows the high proportion of such equipment 5 years and over. Edge switches are replaced and refreshed on a rolling basis and continue to be so through capital schemes throughout the financial year. The age profile of the current network infrastructure is broken down as detailed in Table 3.33 below:

Table 3.33: Age profile network infrastructure

Age (in years)	Jan 2018	%
0-3	197	28
3 to 5	105	15
5 to 7	168	24
Over 7	231	33
Total	701	100

Telecoms Infrastructure

Whilst there have been schemes in recent years to replace some legacy telephony switch estate, the bulk of assets remaining are over 5 years old and do not support the features required of a modern, robust, IP based telephony platform. Table 3.34 shows the age profile of Telephony Switch Estate.

Table 3.34: Age profile of Telephony Switch Estate

Age (in years)	Jan 2018	%
0 - 3	7	15
3 - 5	7	15
5 -7	26	57
Over 7	5	13
Total	45	100

A telephony strategy is currently in development which will provide an approach where existing modern assets can be utilised to their full potential and allow a reduction in the revenue based spend on the telephony service by aligning telephony services to the data network for call transit.

Software

Consideration must be given as to how we move from our traditional 'on premise' model of application delivery to one that makes use of a cloud based Software as a Service (SAAS) approach. When applications are due for a technology refresh NHS Lanarkshire intends following a consistent process of considering cloud first adoption for each solution. This will be done on a case by case basis and will allow us to ensure the best application delivery model for each system.

Within the IT Industry, software is moving away from on premise, capital asset approach to a subscription based, and revenue funded model. This has the advantage of ensuring that organisations are always entitled to the current generation of software versions with the relevant security protections and functional enhancement these provide. In order for NHSL to benefit from this, budgetary alignment between Capital and Revenue will require review ensuring finance models are fit for purpose.

Operating Systems

The end user estate is now running as a standard on the Windows 7 Platform following an asset replacement programme, which replaced older, legacy end user devices running the obsolete Windows XP operating system. It is planned that over the next 12-18 months, any new end user devices will be deployed with the latest Windows 10 operating system and existing end user devices will be upgraded at operating system level subject to compatibility with legacy corporate and clinical applications.

On the server estate there is still a small number of systems running on the older Windows 2003 server platform. These systems are subject to a rolling updates programme, which will bring the base level within NHSL to Windows 2008 R2. Again, this is subject to compatibility with legacy corporate and clinical applications.

Migration on to "supported" products is vital to ensure exposure to security threats and vulnerabilities is limited this will include an accelerated migration to Windows 10 for desktop and portable devices.

Microsoft Software

Microsoft Office is the primary business software used on NHSL ICT assets. Currently, the predominant Office product in use is MS Office 2007 which is obsolete. The board have invested in the latest Microsoft Office product for all end users which is in the process of being rolled out to remove the obsolete Office product for user devices. This is separate to any outcomes provided by a National business case for Office 365 which will become part of NHS Lanarkshire's future strategy for Office products.

PART B: WHERE DO WE WANT TO BE?

4.0 National Context for Service Change

Since the formation of PAMS 2017 – 2022 (approved by Board in June 2018), there has been a significant driver towards planning services in an original basis. Work is at an advanced stage in forming a West of Scotland Regional Delivery Plan.

This coupled with NHS Lanarkshire's own Healthcare Strategy (Achieving Excellence) is expected to shape and change some models of care which will have a knock on impact on the need for clinical accommodation. In time this will lead to consideration of investment and disinvestment in properties in the context of the West of Scotland Regional Delivery Plan, in addition to the Lanarkshire context.

In addition, since the publication of PAMS 2017 – 2022, a new GP Contract has been agreed which will see the gradual balance of ownership switch from GP third party premises to premises owned and provided to GP's by NHS Lanarkshire. This is expected to be a gradual process over 20 years, however some early applications for the GP Sustainability Grant are expected and already some GP's have approached NHS Lanarkshire with a view to NHS Lanarkshire taking over existing leases. This may lead to assignation over time, of leases to NHSL and/or NHSL providing alternative lease premises where existing owned premises are not available or do not have sufficient space availability.

5.0 Local Context for Service Change

With direct linkages to the emerging West of Scotland Regional Delivery Plan, Achieving Excellence remains as the driving strategy for change across the NHS Lanarkshire Estate. Business cases will be developed for any reconfiguration of clinical space required to support Achieving Excellence and the pace of change to clinical spaces will be driven by the availability of capital to be allocated for this purpose.

In line with Achieving Excellence, NHS Lanarkshire will continue to aspire to ensure the provision of safe and effective patient care through the provision of a supportive high quality patient environment, achieved through effective management of the estate and other assets.

PART C: How Do We Get There?

6.0 Competing Service Based Investment Needs

Maintaining our existing estate to ensure a safe patient environment remains a key priority including;

- Continued prioritised development of an Outline Business Case (OBC) for Monklands Refurbishment or Replacement Project (MRRP), by July 2019
- Approved investment of £1.145m in 2018/19 on backlog maintenance and statutory compliance, to continue the trend towards reducing the associated property related risks;
- Approved continued investment of £1.87m in 2018/19 for Monklands Business Continuity projects (MKBC), plus an additional £1.2m for the refurbishment of 7 Theatres with the expected completion (by December 2018). Continued investment in improving facilities to further reduce backlog maintenance and statutory compliance risks at University Hospital Monklands remains a necessity despite knowledge of the intent to replace this key facility in due course. Adopting a Monklands Business Continuity Plan approach which invests on a risk assessed and managed basis is key to ensure a balanced programme of ongoing spend.
- Approved investment of £0.715m in Lanarkshire Wide Business Continuity (LWBC) for backlog maintenance on properties identified as significant risk.
- Continuing to optimise space utilisation leading to identification of opportunities for further rationalisation of existing buildings, to reduce backlog maintenance and ensure the most effective and efficient use of buildings to support service delivery.
- Incorporating all assets into the investment prioritisation and decision making risk based process, so that resources can be focused on greatest need and benefit.
- Continued delivery of a risk based approach for improvements to other existing facilities with backlog maintenance and statutory compliance challenges.

7.0 The Strategic Asset Plan

The Property and Asset Management Strategy Investment Plan is outlined in Table 8.1 below.

It enables the projected funding position to be examined and is separated into revenue based projects; Capital / Board funding allocations; and potential income receipts from a managed disposals programme, which are critical to support the overall capital investment programme.

These investment plans are predicated on funding approval being granted which is entirely dependent on annual budget allocations. They could vary depending on NHS Lanarkshire's financial pressures or prevailing external influences. Notwithstanding these potential constraints, the preferred approach is to develop these plans with built-in flexibility to take account of the potentially volatile funding levels available.

8.0 Prioritised Investment & Disposal Plans

8.1 Prioritisation of Investment Proposals

Planning & Development Delivery Plan 2018/19 -2022/23

The NHSL Capital Investment Group considers all investment proposals for buildings, IM&T and major medical equipment which arise from implementation of "Achieving Excellence".

This is a 5 year programme of change, and will impact on the year-on-year PAMS reviews. Some of the main elements are likely to continue to include:

- Monklands Replacement/Refurbishment Project (MRRP).
- Lanarkshire-wide business continuity (backlog maintenance) programme (LWBC).
- Monklands Business Continuity (MKBC) Programme.
- Building community and primary care capacity to enable shifting the balance of care.
- Full implementation of the mental health strategy.
- Improved IM&T functionality and resilience.
- Developing the patient and staff transport infrastructure in partnership with key providers.

8.2 Investment Plans

Table 8.1 below outlines the overall Investment Plan which is overseen and approved by CIG. In addition there is £0.715m budget allocation in 2018/19 for Lanarkshire Wide Business Continuity (LWBC) backlog maintenance statutory compliance projects for properties identified with significant risks. The sums to be invested in 2018/19 are known, with future years' investment being anticipated (subject to available funding), as illustrated in table 8.1.

Table 8.1: NHS Lanarkshire's Investment Plan (at 4th May 2018)

Capital Expenditure Business Cases	2018/19 £(m)	2019/20 £(m)	2020/21 £(m)	2021/22 £(m)	2022/23 £(m)	2023/24 £(m)	2024/25 £(m)
Monklands Replacement Refurbishment Project	1.60	2.40	15.00	98.50	133.10	148.50	115.50
Monklands General Business Continuity	1.87	2.20	2.65	1.80	1.60	-	-
Monklands Theatres/ICU	1.20	-	-	-	-	-	-
Acute Property Projects	3.24	2.75	2.40	2.40	2.40	-	-
Investment in Other Assets	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Statutory Maintenance/PSSD Equipment (LWBC)	1.145	0.4	0.9	0.4	0.9	-	-
Other Investment Plans	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Medical Equipment	6.12	5.30	5.30	5.30	5.30	-	-
IM&T Business Continuity	2.24	3.75	3.00	3.00	3.00	-	-
Other Service Development	0.07	0.80	0.80	0.50	0.50	-	-
Total Capital Expenditure	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£17.49m	£17.60m	£30.05m	£111.90m	£146.80m	£148.50m	£115.50m

8.3 Disposals Plans

Several of NHS Lanarkshire's surplus sites have challenging circumstances which adversely impact on their market interest (e.g. deteriorating listed buildings for ground conditions, etc). Table 8.2 also gives an indication of the probability of reaching a successful sale each year within the 5 year disposal plan and the net book values expected.

Table 8.2: Target profile of capital receipts from disposals from 2018 to 2022

NHS Lanarkshire Local Delivery Plan Revision					
NHSL Five Year Plan Disposals					
	2018/19 £(m)	2019/20 £(m)	2020/2021 £(m)	2021/2022 £(m)	2022/2023 £(m)
Alexander	0.44	-	-	-	-
Stonehouse	-	1.69	-	-	-
Roadmeetings	-	-	0.65	-	-
Cleland	-	-	0.75	-	-
Law Hospital	-	1.95	-	-	-
Red Deer	-	0.08	-	-	-
Kilsyth	-	0.05	-	-	-
Hartwood Hospital	0.37	-	-	-	-
Hartwoodhill Hospital	Incl. above	-	-	-	-
Croy Clinic	-	0.07	-	-	-
Holehills Clinic	-	0.03	-	-	-
Total Disposals	£0.77m	£3.83m	£1.40m		

Note: income receipts from property disposals may be retained centrally by the Scottish Government and will not necessarily be re-allocated back to NHSL.

Whilst the capital receipt was not received until April 18/19, it is notable that two particularly difficult to market and sell sites (Hartwood and Hartwood Hill hospitals) have now concluded and are no longer managed by NHSL. This significantly reduces ongoing risks and liabilities to NHSL from sites which can frequently experience trespass, fires and vandalism (with associated costs and nuisance to neighbours).

9.0 Implementation Plans

Planning for Future Investment & Disinvestment

The detailed analysis of the existing estate in the first stage of the development of this PAMS provided a comprehensive picture of the current performance of the Board's property portfolio in supporting the delivery of services.

It is clear from this analysis that significant investment of £42.8 million is still needed to address issues of poor physical condition, quality of environment and performance of various parts of the estate, to improve the functionality of the estate so that it effectively and efficiently supports service delivery.

Subsequent reviews, which examined the Board's strategies and vision for the future, identified that further change will be needed to the estate to ensure that it closely matches future service needs. The details of some of these plans are, however, in the early stages of planning and, until such time as they present a clear focus for change, will limit the scope of change possible in the short term.

This Property & Asset Management Strategy must, therefore, continue to be a combination of:

- Investing in primary care facilities that support the drive towards delivering care closer to home, without affecting longer term changes being considered to the acute and elderly care service models.
- Investing in existing buildings that will improve the quality of health & social care provision and patient experience.
- Investing in backlog maintenance to continue the trend towards reducing the associated property related risks and associated backlog costs values.
- Rationalisation of the existing building portfolio to ensure the most effective and efficient use of buildings to support service delivery.
- Incorporate all assets into the investment prioritisation and decision making process so that resources can be focussed on greatest need and benefit.

From this will form NHS Lanarkshire's future investment and disinvestment plans, with constant realignment to plans for clinical services emerging from Achieving Excellence & the West Regional Delivery Plan.

9.1 Risks & Constraints to Successful Delivery of the PAMS

NHS Lanarkshire's Property and Support Services Division (PSSD) have embraced the NHSL Board's corporate risk management approach in order to identify all its property asset related risks. PSSD provide regular reports into this framework referencing its own corporate report and risk register. This creates a consistent approach to the risk assessment of its management function; operational tasks; and outstanding works.

The SCART tool is used to identify risks in its statutory compliance management and operational functions. Risk assessments follow to evaluate any concerns associated with policies, procedures and practices. Risk assessments are also carried out on all backlog maintenance; outstanding works; and vacant sites, including statutory compliance related work, to identify significant and high risk items.

All of these risks are brought into context to consider and highlight those which could have an impact on the principle objectives of the NHS Board. These are highlighted in the report that is reviewed by the NHSL Board. These robust property assurance procedures enable NHSL to prioritise its investment strategy based upon the Quality Ambitions included in NHS Scotland's Quality Strategy; which are patient centred, effective and safe. These procedures and regular review will be used both to inform the Board of any material change in risk exposure and to update and focus proposals in its PAMS implementation plan, to meet the objectives of "Achieving Excellence".

The national *property appraisal guidance* risk-based methodology for establishing and maintaining backlog maintenance costs is well-presented, and clearly explains the approach to employ. The National approach recommended has stood the test of time, and proven to be an extremely valuable managerial tool, both locally and nationally. The national guidance recommends a detailed survey across a range of building and engineering infrastructure elements including fire, environmental and statutory by external building surveyors.

These initial surveys are reviewed more locally by PSSD maintenance management, who analysis into those areas suspected of generating significant and high levels of assessed risk, then applying NHS Lanarkshire corporate risk management approach accepted as best practice throughout NHS Scotland. The results will then show a more accurate picture with respect to time in relation to the assessed patient safety and business continuity. This approach ensures the investment required is prioritised into those premises that require improvement. However, any High/Significant Risks identified by the surveys associated with Health and Safety is prioritised.

9.2 Next Steps

In order to continue to implement the direction set by PAMS 2017 – 2022, NHS Lanarkshire will proactively monitor, realign and implement the investment plans outlined to reflect prevailing circumstances. Priorities contained within this plan which will be progressed include:

- i. NHS Lanarkshire continuing to invest in service changes in support of "Achieving Excellence". This will entail service development projects, some of which are still to be identified through the short life working group which has been established to implement the infrastructure part of "Achieving Excellence". The outcome of this short life working group will determine the pipeline of projects going forward and the pace of change will be determined by clinical priorities and availability of funding.
- ii. NHSL will continue to support developments and changes in the balance of care in conjunction with both Integrated Joint Boards (IJBs). This will entail some service changes going forward in support of providing necessary infrastructure. In addition NHSL and IJBs will peruse opportunities to undertake service improvements through addressing properties which are either of a poor standard or do not support the correct functional suitability required by the foreseen shift in balance of care from acute to community setting.

- iii. Seeking approval of the outline business case (OBC) for Monklands Replacement Refurbishment Project (MRRP) to ensure continuity service in pursuit of the Healthcare Strategy “Achieving Excellence”.
- iv. Continuity to progress the risk based Monklands Business Continuity programme (MKBC) until such times as a refurbished/replaced hospital is available.
- v. NHS Lanarkshire will continue to use EAMS as the basis for capturing property asset condition and other facets performance information, upon which NHS Lanarkshire will make investment decisions.
- vi. The Lanarkshire Wide Business Continuity (LWBC) program will continue to be updated and implemented to ensure that business continuity risks and key life cycle replacements across the wider estate are undertaken on a rolling programme. The level of projects will be determined according to the investment profile outlined for 2017/18 and subsequent years (subject to availability of funding).

In support of the capital programme, NHS Lanarkshire will continue to pro-actively implement the sale of redundant property assets, in accordance with the disposals programme in the LDP, noting fluctuations in market interest and property nett book values.

Implementation of PAMS 2017 - 2022 will continue to be overseen CIG and regular recalibration of the PAMS document will occur each year throughout its five year life cycle. Over time, the details required to deliver the key components of this strategy will be crystallized as the implementation of “Achieving Excellence” develops more detailed implementation plans. Associated business cases and project plans will be developed as necessary to enact the service changes which will follow. NHS Lanarkshire will continue to survey its estate in a regular basis and monitor for any changes and adjust investment needs and priorities accordingly.

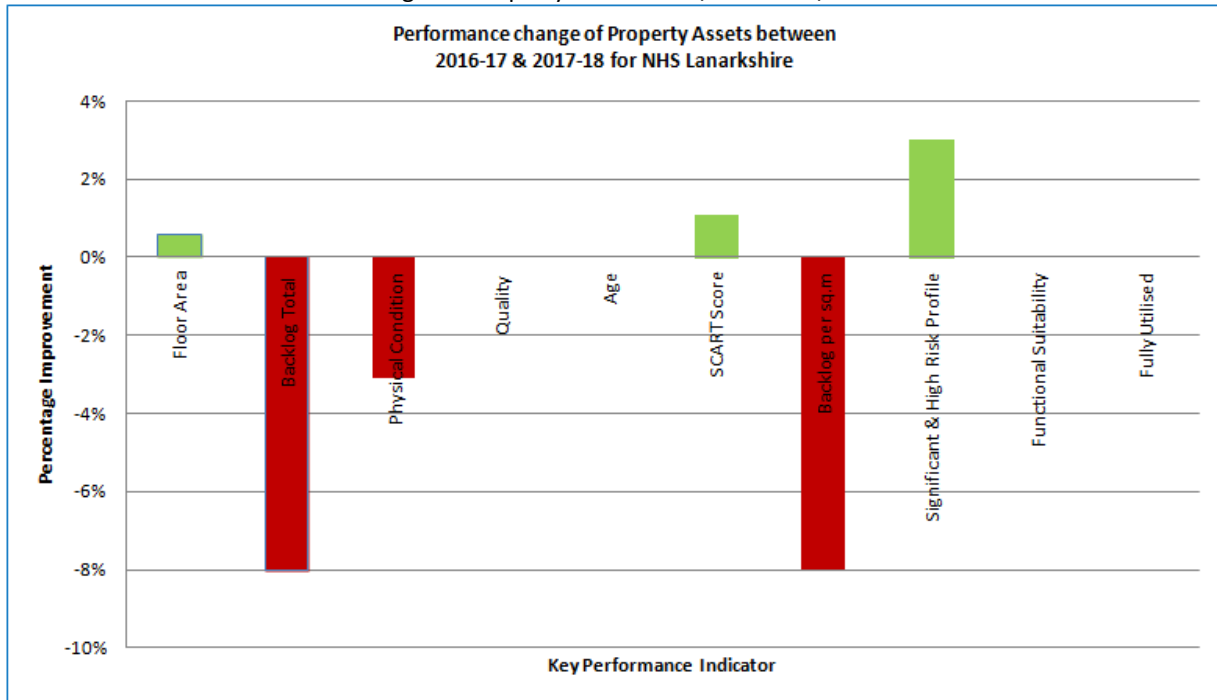
On a less strategic level but no less important, NHS Lanarkshire will continue to support the provision of a high quality estate upon which the arena for quality healthcare is based, through regular planned and preventative maintenance, supplemented by necessary reactive maintenance, through its dedicated Property & Support Services Division team. PFI/HubCo provided premises will continue to be closely monitored and associated contracts managed proactively to ensure value for money and continued delivery of premises at “Condition B”. Collectively this integrated facilities management approach will ensure the continued achievement of high levels of statutory compliance and the continued provision of a safe and efficient patient environment.

9.3 Monitoring Performance in PAMS

The National Asset and Facilities Performance Framework have been developed by SGHSCD as part of their annual 'State of NHS Scotland's Assets and Facilities' Report (SAFR). Its intention is to link property and asset performance to service and patient needs, as defined by the three Quality Ambitions in NHS Scotland's Quality Strategy', and to reflect the supporting function that property and assets provide in the delivery of quality healthcare services.

Chart 9.1 below compares NHS Lanarkshire's current (17/18) performance against 2016-17. It uses the first 10 KPI's from the National Asset & Facilities Performance Framework, plus two non-KPI indicators (total floor area and total backlog) to show other general changes in the NHSL's property assets:

Chart 9.1: Annual Performance change for Property Assets 2016/17 – 2017/18



In summary; The Floor area KPI shows an increase floor area 1%. There no change to KPI's Patient rating, Fully utilised, Functional Suitability, Age or Quality in the Period. There were improvements to the SCART Score (1%) and Significant Risk profile has improved by (3%). However, Backlog Costs and Backlog per m² have increase by (8%) in the same period. Finally, physical condition has decreased by (3%) and age of the properties over 50 years old has remained static in the same period.

10. Conclusion

Overall, NHS Lanarkshire have maintained or achieved positive improvements in nine of twelve KPI's over a 12 month period; particularly the physical condition, quality, patient safety, age PAMS' quality, SCART, functional suitability and Fully Utilised. In addition to the elimination of high risk properties, there was a decrease of circa 3% in the significant risk profile, backlog costs and backlog per sq.m reported against its property assets. Three KPI's have not significantly changed in the period; patient rating, age profile and utilisation. NHS Lanarkshire has no high risks identified and overall the property profile remains stable.

This PAMS will be kept under review by CIG, reviewed annually and key performance reported to Board and Scottish Government. It is intended that this review process will inform future strategy and investment needs for the effective management of NHS Lanarkshire's wide ranging assets and in so doing, continue to provide essential support and underpinning of the Board's evolving "Achieving Excellence" Healthcare strategy and Infrastructure Implementation Plan.

As previously stated, this PAMS document will remain a live document with annual updates. PAMS will continue to evolve in light of developments associated with NHS Lanarkshire's "Achieving Excellence" healthcare strategy. Consequently PAMS shall be required to reflect the necessary reshaping of the estate in support of clinical activity with regard to emerging local, regional and national developments in how clinical services are provided in the future, and in response to the ongoing aspiration to shift the balance of care into the community setting.
