

Summary

Five Year Estates Strategy

2013 - 2018



Summary

A well thought-out estate strategy is essential for the provision of safe, secure, high-quality healthcare buildings capable of supporting current and future clinical service and patient needs. It provides a high level document describing the work to be undertaken over a five to ten year period.

The estate strategy provides an essential framework within which procurement proposals can be developed and evaluated. It needs to be flexible as changing clinical and technology developments will place demands on the built environment, whilst our financial position may restrict our ability to invest in our building infrastructure.

The Estates Strategy seeks to minimise the risks our built environment presents with the provision of a five year plan that looks to address Equality, Functional, Statutory and Physical deficiencies in the built environment that impact on the delivery of patient care identified in the estates condition survey, with a value of £50million.

An option to address all of these problems could be to build a brand new hospital at a cost of £512million assuming we provide a facility that matches the current occupied space. This level of funding is not available and therefore the strategy identifies a programme of work to assess the opportunities to develop and implement proposals that manage the risks.

The programme of work identifies opportunities to secure additional value from our current estate with options to sell or utilise our property portfolio and demolish building stocks that are no longer fit for purpose to remove circa £27million from the five year risk assessed backlog survey.

It is also proposed, that to achieve the capacity to meet clinical services requirements a new build is developed on the Southend Hospital site. The ability to fund this and funding options will need to be considered as part of the work on the Trust's five year financial strategy.

The Estates strategy:

- Provides a vision and high level programme of work to meet the needs of the clinical services, subject to the funding available.
- Identifies the opportunities to improve the condition of the Estate and make best use of our property portfolio.
- Will be reviewed annually with our clinical and financial plans

Introduction

The Estates Strategy objectives are to:

- Meet where possible the requirements of the Clinical Service Development Strategy;
- Manage risks relating to: Statutory and Physical condition, Functional Suitability, Quality of the Environment, Equality and Access;
- Identify options to maximise the value the Trust can achieve from its Estate property portfolio
- Ensure any development follows the site control plan, to support the incremental development of the main hospital site over time.

1. CLINICAL SERVICE DEVELOPMENT STRATEGY

The Trust Board were informed of the changing referral pathways which will see increases in demand for our services from Essex health care providers. This combined with an ageing local population, will increase the number of people diagnosed with cancer, chronic diseases and seeking surgical and emergency care, putting additional demands on the Trust's services. The estate needs to support:

- A) The developing patient care pathways that link Trust and community services
- B) The co-location of emergency services into one area;
- C) The co-location and provision of additional capacity for critical care services;
- D) The co-location and capacity of day stay services with theatres;
- E) The co-location and provision of appropriate environments for Out Patient Department (OPD) services e.g. Ophthalmology, Neurology and Urology;
- F) The co-location of clinical specialities, i.e. Medicine, Surgery;
- G) The move of patient services out of buildings that are not fit for purpose (the Prittlewell Wing and temporary buildings e.g. Neurology) to improve the quality of the patients environment, and to provide additional capacity for critical care services;
- H) Additional capacity for new medical and IT technologies;
- I) Modernisation of mortuary facilities.

The Executive Team identified key principles any site development should achieve:

- Ensure Emergency, Elective Day Stay and Outpatients remain on the ground floor where possible;
- Elective day stay unit and theatre should be co-located;
- Elective inpatients services should be co-located and be near to theatres;
- Medical and Surgical wards should be co-located with sufficient bed capacity;
- The need to have space to support service reconfiguration is a priority.

Although the clinical model will continue to change there will always be a need for Intensive Care facilities and wards that are fit for purpose, to do this a new build needs to be developed.

2. Estates Condition Survey

The Trust main hospital site has circa 30 building blocks ranging from the new builds completed in 2013 to those built in the 1930's. The latter presents a significant challenge as the infrastructure deteriorates and the accommodation cannot meet the needs of the clinical services. The Trust has resorted to putting up portacabins to manage the demand for more clinical capacity and over time these have become unsuitable for patient care.

The Trust also has a range of off-site buildings providing staff accommodation, staff housing and owns 15.5 acres of land. The Trust also leases accommodation for a number of services (Occupational Health, Outpatient Clinics and Support Services) and provides services at other health care provider locations.

The following provides a summary of works undertaken following the risk assessed estate condition survey undertaken in 2012 on the main Southend Hospital Estate:

- **Statutory Requirements**

Risk assessments for our statutory obligations demonstrated 26.07% of our estate required investment; works will be completed in 2014, to remove these statutory risks.

- **Physical Condition**

25.14% of our estate requires capital investment to repair the condition of buildings over the next five years. £1.9million pounds of these works were undertaken in 2013.

- **Functional Suitability**

39.87% of buildings were deficient in terms of space constraints

- **Quality of the Environment**

A review of the design, comfort, engineering, amenities, way finding and appearance requiring more than general maintenance, identified 49.04% required capital investment.

- **Access and Equality**

There are accessibility problems that need to be addressed.

- **Space Utilisation**

98.44% of the hospital site is occupied, leaving little or no flexibility to reconfigure services as the site footprint stands.

- **Energy / Carbon Emission Savings**

There are opportunities to increase energy savings and reduce carbon emissions, this is described in more detail in our Sustainable Development Management and Travel plans.

An option to address all of these problems could be to build a brand new hospital at a cost of £512million, assuming we provide a facility that matches the current occupied space. This level of funding is not available and therefore this strategy identifies the opportunities to manage the risks.

2.1. BACKLOG FINANCIAL IMPLICATIONS

The total cost to eradicate all of the Backlog Maintenance identified by the risk assessed survey over the next five years, assuming continuing investment in the estate to maintain the position is:

Table 1: Costs to eradicate all items

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Equality Act	92,075	1,985,023	608,487	8,828		2,694,413
Functional Suitability	3,567,908	3,567,908	4,169,681	4,169,681	3,033,159	18,508,337
Physical Condition	4,766,980	7,288,404	5,712,270	4,807,020	4,186,215	26,760,889
Quality	70,389	1,385,887	292,208	35,906		1,784,390
						49,748,029

The estates condition survey is risk assessed and Extreme / High risks are reviewed annually to be funded as part of the capital programme. This year circa £3.7million will address these risks.

The condition survey identified several buildings which are in a very poor condition, requiring significant investment, and which are not suitable for modern day clinical care:

Table 2: Investment required in specific buildings

Building	Total £
Hilborough Building	8,579,122
Prittlewell Building	12,049,345
Churchfield (Ground Floor only)	1,394,064
Diabetes & Endocrine Centre	935,042
Eye Unit	3,448,562
Neurology	771,814
Total	27,177,949

Demolition of these buildings over time would potentially reduce the backlog maintenance requirements by £27million. A proposed replacement new build, would create fit for purpose clinical accommodation and create service efficiencies, as the capacity to co-locate services is also addressed.

3. The Estate Development Strategy

The challenge the Trust faces is to rationalise its estate to ensure its property portfolio supports the developing clinical service model and delivers value for money. The Trust can choose to sell or develop properties to support its financial position, creating income or capital receipts with the development or sale of parts of its estate.

The following options to develop the estate are not a definitive list, and will need to be reviewed dependant on the economic situation on an annual basis. The larger developments will result in a business case being presented to the Board.

The current requirements of the clinical services and the opportunities to create best value from our property portfolio require the following to occur:

Phase 1: 2014 -2016 Over the next 2 years (*programme provided in the appendices*)

- Reconfiguration of wards / departments, supported with refurbishment of the estate to provide the capacity for ambulatory, emergency care and outpatient services. These works are essential and will be centrally funded from national bids and or utilise the Trusts capital funds.
- Continue to refurbish wards (the majority of the Tower Block wards have been refurbished) to meet the requirements of national guidance and improve the inpatient environments as part of the annual capital plan. This programme of refurbishment works needs to continue to improve the patient environment. We will continue to receive poor scores in national patient assessments until we have a seven year refurbishment programme for wards.
- Identify the impact of developing care pathways which may provide opportunities to integrate outpatient services into the community utilising other provider(s) estate.
- Historically the Trust looked at developing an off site surgical day case and outpatient centre at Fossets Farm, deciding that the clinical model was not financially viable due to the constraints placed on medical / surgical teams with split site working. With the removal of

the covenant that limits use to health care only, the Trust has the opportunity to assess the options for the sale or development of 15.5 acres of land (Fossets Farm) to support the financial position of the Trust and to create investment in the estate.

- Assess the opportunity to secure national funding to introduce a Combined Heat and Power (CHP) system to reduce the impact and cost of increasing demands for energy and associated carbon emissions.

Phase 2: 2016 – 2019, in circa 2 – 4 years

Assess the affordability / economic climate and undertake the following:

- A review of the clinical model and the demand for health care in an Acute Trust
- Based on the needs of the clinical model and the deteriorating built environment construct a new build on site to provide capacity for critical care, day case elective centre and inpatient wards. This will require the building of a development of circa 7500m².
- Rationalise the estate with the demolition of buildings that are not fit for purpose (Churchfield, Diabetes, Old Chapel, and Old Trust Offices).
- Implement other energy initiatives to reduce our carbon footprint.

Phase 3: 2019, in circa 4-5 years

Asses the opportunities to develop or sell Cardigan Avenue housing, this can only occur if and when there is space to decant services occupying these premises.

Dependant on the delivery of the previous phases the Trust will:

- Refurbish vacated areas on the main hospital site for other services
- Centralise off-site services onto the main hospital site to reduce the revenue impact of leased accommodation

Phase 4: 2019, Beyond 5 years

The site Development Control plan (DCP) describes the Trust's opportunities to reconfigure its buildings to manage the removal of 1930's and 1960's buildings (Tower Block).

Over time before any large development occurs on the main hospital site, the DCP (appendix 1 demonstrates some of the options) will be

reviewed to ensure piecemeal development does not occur which could constrain long term plans.

4. Funding

The financial strategy currently includes circa £2.5 - £3million per annum for backlog works to be undertaken on the estate. Once work has been completed on the options to invest or divest in property the financial strategy will need to be reviewed.

Opportunities to work with other private sector partners to obtain best value from land or housing sales may secure additional funding to invest in our estates, these options will be assessed.

There are a number of options to secure funding and reduce pressures on the annual capital programme:

Option 1: Do nothing

The current condition of the buildings and the impact these poor environments have on clinical services negates this option.

Option 2: Do minimum

Fund the significant and high priority backlog works over 5 years, this will leave patient services in inappropriate accommodation.

Option 3: Invest in New Ward Block

Funding for this will need to be assessed as part of the Trust's strategic planning process. If funding cannot be secured in full, an assessment of the potential sale of land and buildings has identified that this approach could make a significant contribution to the new build cost, but could not fund it in full.

5. Conclusion

The clinical service model requires improvements to the capacity, environment and location of a number of services, to enable it to become more efficient and to cope with future demand.

Providing a new development on the Southend Hospital site with the demolition of old buildings and securing best value from our property portfolio will reduce the risks and costs of the backlog works.

The strategy provides a plan to review the opportunities to provide fit for purpose accommodation for our staff and patients.

Appendix 1:Development Control Plan Drawings (DCP)

DCP : Red and Orange Buildings are not fit for purpose, demolish or redevelop



Phase 2: The green area shows the opportunity for a new build for Elective and Critical Care Services



Phase 3 – 4 The blue area could be refurbished with the red areas being demolished or refurbished , with the new build the portacabins (coloured brown) will be removed



The prittlewell wards could be completely demolished to develop larger build (green), in circa 25 years should the Tower Block need to be removed.

