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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	3rd March 2020			Agenda Item	2.7
Report Title	Condition Appraisal update				
Report Author	Des Keighan - Assistant Director of Operations-Estates				
Report Sponsor	Craigie Wilson - Deputy Chief Operating Officer				
Presented by	Des Keighan - Assistant Director of Operations - Estates				
Freedom of Information	Open				
Purpose of the Report	The purpose of the report is to give the Committee an update with regards to the completion of a Condition Appraisal for the Health Board's Estate.				
Key Issues	<p>The provision of a Condition Appraisal (Six Facet Survey) is required by WHBN 00-08 (NHS Estatecode) and is the foundation upon which the Health Board's Estates Strategy is based. Historically, this has always been regarded as the 'minimum data set' of information necessary on which to base intelligent decisions about the future of a Health Board's Estate.</p> <p>It is recommended in "Estatecode supplement: Land and Property Appraisal and Estate Performance Indicators" that a detailed property appraisal is completed every five years, or whenever there has been a major change in the property portfolio. The Health Board has not completed a Condition Appraisal since 2009, relying on desktop survey work to inform the condition appraisal information submitted as part of the EFPMS returned to Welsh government.</p> <p>However, Executive Directors have confirmed that funding will be made available in the next financial year to undertake a Full Condition Appraisal of the Swansea Bay University Health Board Estate. The specification is being prepared by the Assistant Director of Operations - Estates who has already been in contact with procurement colleagues and is looking to confirm the engagement of a surveyors from one of the procurement frameworks to undertake the work later this year.</p>				
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance	Approval	
Recommendations	Members are asked to: <ul style="list-style-type: none"> • Note the contents of the report 				

UPDATE ON THE PROVISION OF A CONDITION APPRAISAL (SIX FACET SURVEY)

INTRODUCTION

The purpose of the report is to update the Committee on the provision and completion of a Condition Appraisal (or Six Facet Survey) for the Health Board's Estate.

BACKGROUND

It is recommended in "Estatecode supplement: Land and Property Appraisal and Estate Performance Indicators" that a detailed property appraisal is completed every five years, or whenever there has been a major change in the property portfolio, whichever is the earlier.

The prime purpose of carrying out a Condition Appraisal is to help in the operational and strategic management of the Health Board's Estate. Guidance recommends that the appraisal should be kept up to date, and reported to the Board at least annually. This survey or Condition Appraisal informs the development of the Health board's Estate Strategy and allows the Health Board to make informed decisions about the delivery of the clinical service's through the development of the estate.

The recommendation to complete a Full Condition Appraisal has been echoed by Internal Audit who have advised that a Condition Appraisal should be undertaken as a matter of urgency. Within the recommendation they also cite the need to ensure we have accurate Disability Discrimination Act (DDA) information on our Estate. Under the DDA not all services have to fully comply with the requirements of the Act, however the health bodies are responsible for ensuring those people who have disabilities can access services in facilities that are appropriate and meet the needs of their disability. The Health Board has not carried out a full condition appraisal for nearly 10 years, relying rather on desk top exercises to update its condition appraisal information year-on-year. These review had been allied to existing DDA surveys.

As part of the transfer services to Cwm Taf Morgannwg the Health Board undertook a review of the existing backlog information for the Bridgend properties and whilst no significant new risks were identified, the risk profile did change dramatically, with costs associated with high and significant costs going from £1,500,000 to £10,432,500, whilst the overall backlog went from £11,500,000 to £17,224,400 - a 50% increase in the costs. It is important to note that when you calculate risk-adjusted backlog maintenance figures high and significant risks costs are included in the total backlog maintenance figure however, medium and low risk costs are divided by the life expectancy of the building.

Example: if there is a high risk cost of £1 million against the building with a life expectancy of 10 years. It is reported as the backlog risk adjusted figure of £1 million. If the same building has a medium risk of £1 million, the risk adjusted backlog maintenance figure would be reported as £100,000 as the investment is divided by expected the life building.

GOVERNANCE AND RISK ISSUES

The provision of a Condition Appraisal (six facet survey) is required by WHBN 00-08 (NHS Estatecode) and is the foundation upon which the Health Board's Estates Strategy is based. Historically, this has always been regarded as the 'minimum data set' of information necessary on which to base intelligent decisions about the future of a Health Boards Estate.

Failure to have an up-to-date Condition Appraisal or Six Facet Survey and DDA information means that strategic decisions about the provision of clinical services within the Health Board's Estate can be made based on information that is flawed or inaccurate. As previously explained the level of risk associated with backlog maintenance effects the calculation of back log maintenance costs for a building also understanding the impact of changing services from one building to another without having up-to-date DDA automation is also flawed.

When the Health Board develops Strategic Outline Business Cases for the provision of and development of clinical services, Welsh Government will ask to see the impact on the Health Board's overall backlog maintenance costs. Being able to provide an accurate picture of the condition of the estate and its infrastructure is extremely important when developing applications the capital investment not only for new developments but for the enhancement and maintenance of existing services and buildings.

FINANCIAL IMPLICATIONS

The cost of procuring a Condition Appraisal can vary however industry standards dictate a cost for a six facet survey plus DDA review of between £0.90 to £1.10 a metre squared. Which gave a budget cost of between £243,000 to £297,000. Approval has been given by the execs to develop the specification and procure six facet survey and DDA review of the Health Boards estate based against a budget of around £250,000 plus VAT.

CONCLUSION

The Committee is asked to note the fact that Executive colleagues have agreed to the procurement of a Condition Appraisal (Six Facet Survey) and the provision of DDA review of the Estate. It is hoped that the procurement process can be completed early in the new financial year with work commencing June / July of this year

Governance and Assurance							
Link to corporate objectives <i>(please ✓)</i>	Promoting and enabling healthier communities		Delivering excellent patient outcomes, experience and access	Demonstrating value and sustainability	Securing a fully engaged skilled workforce	Embedding effective governance and partnerships	
			X				
Link to Health and Care Standards <i>(please ✓)</i>	Staying Healthy	Safe Care	Effective Care	Dignified Care	Timely Care	Individual Care	Staff and Resources
		X		X			
Quality, Safety and Patient Experience							
<p>The provision of a Condition Appraisal (six facet survey) is required by HBN 00-08 (NHS Estatecode) and is the foundation upon which the Health Board's Estates Strategy is based. Historically, this has always been regarded as the 'minimum data set' of information necessary on which to base intelligent decisions about the future of a Health Boards Estate. It provides the baseline information for an Estates Strategy for the EFPMS Return, and the Carter and Naylor Reviews.</p>							
Financial Implications							
<p>The cost of procuring a Condition Appraisal can vary however industry standards dictate a cost for a Six Facet Survey plus DDA review of between £0.90 to £1.10 a metre squared which gives a budget cost of between £243,000 to £297,000 for the Health Board estate.</p> <p>Approval has been given by Executive colleagues to develop the specification and procure six facet survey and DDA review of the Health Board's estate based against a budget of around £250,000 plus VAT. However it's important to note the importance of having accurate backlog maintenance information on the ability to secure capital funding for further service development and refurbishment.</p>							
Legal Implications (including equality and diversity assessment)							
<p>The maintenance of the Estate is a key aspect of the protection of the health of patients, visitors and staff in accordance with the UK Health and Safety Law and Regulations including:</p> <ul style="list-style-type: none"> • The Management of Health and Safety at Work Regulations 1999 • Welsh Health Building Note 00- 08 – 2018 Estate Code Wales • Defective Premises Act 1972 • Environment (Wales) act 2016 • Equality Act 2010 • Disability Discrimination Act 1995 							
Staffing Implications							
<p>External surveyors will be commissioned to undertake the work's allowance has been made for some staff time within the costs to support survey is being undertaken.</p>							

Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)	
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Provision of effective healthcare services is dependent on being able to make informed decisions over the utilisation of the estate. Having detailed condition appraisal information allows those informed decisions to be made and services to be provided in facilities that are fit for purpose.	
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Report History	This is the first formal report on condition appraisal following verbal update provided by the Assistant Director of Operations – Estates.
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Appendices	Not applicable
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