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**Property and Asset Management**

**Strategy 2014-20**

**2020 Interim PAMS**

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**1.0 Introduction**

This document provides an interim update to the 2019 Property and Asset Management Strategy (PAMS) as required by the State of the NHS Scotland Assets and Facilities Report (SAFR 2017) Programme. The Board PAMS submission to Scottish Government is now required every 2 years with an interim PAMS update report required each subsequent year. This is an INTERIM update.

**1.1 Progress in the Last year - Strategic Developments**

**Fife Elective Orthopaedic Centre**

The Full Business Case project costs have been agreed at £33.2m, c£1m beyond the Outline Business Case budget.

An NSS Design Quality Review is ongoing and no major items of concern have been raised to date and Construction Contracts are being finalised in draft format.

Planning consent has now been awarded by Fife Council and works have started on site.

**Fife Mental Health Project**

A long and short list of options have been developed and the Strategic Case is in the process of being updated.

The Stakeholder Engagement Strategy for options appraisal will also be reviewed by that date. The target date for completion of IA is mid-2021 and the Project Board has been established.

**Kincardine and Lochgelly Health Centres**

The internal Project Team is being assembled and the Project Board is established.

The New Project Request (NPR) for Hubco has been drafted and site selection is ongoing. Stakeholders are to be consulted on options and site boundaries are to be confirmed before Hubco commence in earnest.

Schedules of Accommodation are to be reviewed by the Project Team to ensure that the briefing is robust.

**1.2 Equipment**

The Capital Equipment spend for 2019/20 amounted to £2.4m which included a balance for condemned equipment. It was a challenge to prioritise capital equipment in 2019/20 as there were large numbers of requests and significant risks if equipment was not prioritised. The most expensive items ordered was the replacement of 18 anaesthetic ventilators and 31 patient monitors for Theatres at a cost of £839k. Two replacement operating tables for Orthopaedics were approved at a cost of £75k with a further two of these delayed. These will be purchased in 2020/21.  Five Endoscopy stacks were approved at a total cost of £324k. A CR System for Radiology was also purchased at a cost of £206k.

For all items costing over £100k, a Business Case was prepared and tabled at the Financial Capital Investment Group meeting for approval.

Several items were unable to be purchased in 2019/20 due to lack of budget. These were, however, approved for purchase in 2020/21. These include Endoscopy washing disinfectors, 14 ICU ventilators and 2 operating tables as mentioned above.

**2.0 Changes in Property - 2019/20**

Since 31 March 2019, the following assets have been sold or are in the process of being sold:

|  |  |
| --- | --- |
| Fair Isle Clinic, Kirkcaldy | Sold 19 September 2019 |
| Forth Park Hospital, Kirkcaldy | Sold 5 August 2019 |
| Area Distribution Centre, Kirkcaldy | Sold 25 October 2019 |
| North Plot, Lynebank Hospital, Dunfermline | This is in the process of being marketed, however, we are currently facing issues around access/egress and drainage capacity |
| Supplementary Land at Skeith Health Centre, Anstruther | Under review |

The resultant Net Value of Property at March 2020 has fallen c£2.5m since March 2019.

**3.0 Asset Condition and Performance**

**3.1** **State of the Board’s Property Assets (Operational Estate only)**

**3.1.1 Age Profile**

**3.1.2 Physical Condition (Good - A or B)**

**3.1.3 Functional Suitability (Good - A or B)**

**3.1.4 Space Utilisation**

**3.1.5 Quality (Good - A or B)**

3.2 Statutory Compliance and Assurance

NHS Fife has continued to move away from sector-based audits to individual evidence-based site audits.

As at the end of August 2020, a total of 23 sites had their audits completed and entered in the SCART Software System. This amounts to 52% of all NHS Fife property. After the completion of the site audit, an action plan is created to allow responsibilities whereby costs and planned completion dates are assigned to allow the prioritisation of the work. All 23 sites have had an action plan created and responsibilities assigned.

A Work Plan was created to programme all site audits. All audits were originally planned to be completed by early 2021 however, due to Covid-19 restrictions, we are now running 5 sites behind schedule.

NHS Fife has a total compliance score of 67.5% (against a national compliance score of 62.07%) an improvement from 63.5% last year.

**3.3 Backlog Maintenance**

The investment required to bring NHS Fife properties up to an acceptable physical condition is known as backlog costs. The guidance defines backlog costs as the costs required to bring an element up to an acceptable condition (ie A or B). The guidance also states that the backlog costs should be expressed as a works cost only. Additional costs that are dependent upon the solution chosen eg VAT, fees, decant and temporary services are excluded, however, these are included within project costs brought forward for consideration.

A reduction in backlog maintenance has been achieved this year from £88.9m to £83.9m mainly through the sale of Forth Park Hospital, Kirkcaldy. A minor increase in both significant and high risk backlog has been recorded at £48.3m and £5.8m respectively.

Contracted conditional appraisal surveys were directed at Phase 1, Victoria Hospital, Kirkcaldy, however the data had not been loaded by 31 March 2020. A number of in-house surveys of outbuildings on the VHK site and several Health Centres was undertaken but no significant changes in overall costs were encountered. The presented backlog costs do, however, include an inflation uplift of 6.18% from 2019.

**3.4** **Environmental Management Strategy**

Current emissions from the Board’s buildings appear to be in line with 2020 reduction in CO2 required by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, primarily because of higher emissions in the 1990s and reductions in energy consumption and emissions from biomass use and lighting upgrades and maintenance.

2030 targets require a 30% increase in low carbon heating provision and significant lighting upgrades and control improvements, even with grid decarbonisation. This will most likely require to be through the provision of biomass, biofuels or heat pumps alongside the reduction in consumption and increases in renewable energy.

Current budgets are 102% on heating, 95% on power and lighting and 63% on water budgets last year. This totals 76% of the budget last year based on actual and predicted use. Current heat targets are summarised in the following table for this year compared to baseline.

|  |  |
| --- | --- |
| **Criteria** | **NHS Fife : Energy & GHG Reduction Targets for 2020/21(against 3-year average baseline 2011/12, 2012/13 and 2013/14)** |
| **Basic** | **Stretch** |
| Energy Consumption (kWh/m2) | Electricity | Fossil Fuel | Electricity | Fossil Fuel |
| **-6.86%** | **-2.08%** | **-21.79%** | **-11.60%** |
| Combined | Combined |
| **-2.66%** | **-14.02%** |
| Greenhouse Gas Emissions (kgCO2e/m2) | **-2.64%** | **-17.36%** |
| **Criteria** | **NHS Fife : Percentage of Total Energy Consumption from Renewable Energy Sources** |
|   | **Basic** | **Stretch** |
| Percentage of heat consumption from renewable energy sources | **7.04%** | **15.22%** |
| Percentage of electricity consumption from renewable energy sources | **0.11%** | **2.29%** |
| Percentage of total consumption from renewable energy sources | **5.30%** | **11.97%** |

NHS Fife’s water service provider has been changed from Wave to Business Stream and we are seeing some significant savings so far.

Recent funding has been obtained from the Fife Health Charity and Cycling Scotland for the installation of cycle shelter covers and cycle pods across NHS Fife sites in order to support sustainability and Covid efforts. These are currently being installed on sites identified by a recent staff survey and will provide an additional 30 cycle stores and 4 shelters for staff cycling to and from work. We are also investigating in an Electric Bike Hire Scheme across our major sites.

Transport is an area that requires investment and improvement, or smart thinking in terms of emissions.

Waste reduction targets are set for this year.

Current targets to be made aware of include:

* 100% of Scotland’s electricity demand equivalent to be produced from renewable technology - 2020.
* 56% reduction in greenhouse gas emissions (compared to 1990 baseline) - 2020.
* 75% reduction in greenhouse gas emissions (compared to 1990 baseline) - 2030.
* Phasing out of new petrol and diesel vehicle sales - 2032.
* 50% of the energy for Scotland’s heat, transport and electricity consumption by renewable sources - 2030.
* 90% reduction in greenhouse gas emissions (compared to 1990 baseline) - 2040.
* Net carbon neutral - 2040.
* Net zero greenhouse gas emissions - 2045.
* 60% domestic waste recycling rate this year from base year.
* Reduce domestic waste by at least 7%.
* Landfill ban on biodegradable municipal waste by 2021.

**3.5 State of the Board’s Office Accommodation**

There is no further update on Office Accommodation since the 2019 Property & Asset Management Strategy.

**3.6** **State of the Board’s Medical Equipment**

As a brief interim update, the age profile of key medical equipment is as follows:

**3.7 State of the Board’s Vehicular Fleet**

**3.7.1 Transport Assets**

Transport Fleet: whilst there was no Capital support this year, ongoing vehicle replacement through Lease Agreements took place and there was also grant funding received from Transport Scotland through the Switched on Fleets Scheme to enable 5 electric vehicles to be added to the fleet. Ongoing efficiency initiatives include the development of the National Fleet Management System and the revised work rotas actioned by the Fleet Supervisor to deliver operational improvements.

The total number of vehicles within NHS Fife has increased, however, there are plans to reduce numbers in the near future back to the previous level. More than 64% of vehicles owned by NHS Fife are in excess of 5 years old.  The replacement of owned vehicles, as part of NHS Fife’s Capital Investment Plans, will be addressed as funding allows. 52% of vehicles are owned by the Board and 47% leased on a 3, 4 or 5 year basis as determined by the National Procurement contract through which they were procured. The percentage number of vehicles being leased has increased and this will help address future replacement plans.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016/17** | **2017/18** | **2018/19** | **2019/20** |
| **Owned** | 65 | 62 | 56 | 51 |
| **Leased** | 23 | 31 | 38 | 46 |
| **Staff Car Scheme** | 184 | 154 | 147 | 146 |
| **Long term hire (Enterprise)** | 4 | 30 | 38 | 46 |
| **Total** | 276 | 277 | 279 | 289 |
|  |  |  |
| Age (% less than 5 years old) |  |  |
| **All Vehicles:** | 43 | 83.3 |  | 74.8 |
|  |  |  |
| Mileage (average per vehicle) |  |  |
| **Owned** | 10473 | 9971 | 9083 | 9226.6 |
| **Leased** | 14842 | 8948 | 11917 | 16558.6 |
| **Staff Car Scheme** | 8186 | 12897 | 13038.5 | 12955.9 |
|  |  |  |
| Fuel Type (percentage) |  |  |
| **Petrol** | 15 | 46 | 14 | 15.4 |
| **Diesel** | 82 | 52 | 76 | 79.4 |
| **Alternative (state type(s)): Petrol/Electric** | 3 | 3 | 2 | 5.1 |

The total mileage for NHS Fife fleet vehicles has decreased by 9.5k miles. The efficiency of vehicles in terms of miles travelled per gallon of fuel consumed has remained consistent with last year. There is also 315235 miles included as a result of using the Enterprise Car Club vehicles, which has shown a corresponding reduction in staff using their own personal cars for NHS business.

**3.7.2 Condition & Performance**

Whist the leased vehicles are routinely replaced at the end of their lease, the owned fleet is becoming increasingly older. The consequence of this is that high maintenance costs are being borne to keep the vehicles mobile. Lower, fuel efficient vehicles are being operated and our carbon footprint cannot be significantly reduced in the short-term.

The Fleet Management System has been replaced with a new Fleet Management System purchased for use throughout the NHS in Scotland. This, in conjunction with the Vehicle Telematics System, which has also been procured on a national basis will, once implemented, enhance the vehicle, driver and utilisation data available to influence operational and vehicle replacement plans.

**3.7.3 Financial Consequences**

There is an ongoing replacement of the leased fleet with the lease costs generally being similar to current costs. The Board spends £188k on current leases per annum. Routine maintenance of this fleet is included within the lease costs. The replacement cost for the owned fleet of vehicles is in excess of £968k. During the year, no capital investment was made available for owned fleet replacement.

Routine maintenance and all mandatory checks are pre-planned 12 months in advance, as recommended by the Driver & Vehicle Standards Agency (DVSA).  Maintenance is carried out by several suppliers, including Fife Council.  All new vehicles remain with franchised approved dealers during the warranty period which is normally 3 years.

Vehicle maintenance is undertaken in line with the manufacturers recommended time/mileage periods, with a number of passenger carrying minibuses being subject to more frequent inspections.

**3.7.5 Recent Initiatives**

A number of developments have been implemented over the last few years to reduce cost and to contribute to meeting carbon emissions targets. These include:

* A reduction in large vehicles whereby no large Operator Licence vehicles are now operated.
* Improved fleet utilisation with corresponding reductions in miles travelled by fleet vehicles.
* Review of latest technology and vehicle improvements incorporating national targets and industry KPIs.
* Use of tracking, speed limiters and fuel saving equipment thereby providing reduced fuel consumption.
* Implementation of multipurpose vehicles to further increase utilisation.
* The new nationally Managed Fleet Management System has been introduced and is being developed.
* A Transport Supervisor was appointed in 2018 to aid operational improvement and rationalisation of duties and our Fleet Manager is now employed with NHS Fife on a part-time basis.

**Competing Asset Based Investment Needs**

Transport: The following table identifies the required level of investment to maintain the owned fleet to an ideal age profile standard. This level of investment is simply not available and vehicles are retained until capital becomes available.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | 20/21 | 21/22 | 22/23 | 23/24  | 24/25  |
| Total Investment Envisaged (£) | £715,000  |  £94,200 | £68,577 | £11,050 | £50,436 |

(In terms of leased vehicles, we currently require £188k of revenue funding annually to maintain the current fleet).

**Regional Fleet Management Opportunities**

A report on the East of Scotland Fleet Management opportunities was circulated to members in December 2018 in order to consider the benefits and potential options for collaborative working across Fleet Management and Car Leasing in the East of Scotland NHS Boards. Scottish NHS Boards who have agreed to be part of the collaborative working proposal are the Borders, Fife, Lothian and Tayside. Discussions are still at an early stage and a number of minor synergies have been implemented by all participants in the region.

**Item**

**Objective**

**Action**

**Lead**

**Status**

**%**

**Timescale**

1

Replace obsolete

Chevin Fleet

Management

System to

maintain vehicle

data source.

Participate in

Procure/Install/training in

new Tranman System to

manage fleet data

Fleet Manager

100%

Sep-19

2

Implement new in-

vehicle telematics

system

Participate in

Procure/Install/training/gove

rnance for new Traffilog

System

Fleet Manager

50%

Dec 20

3

Implement

regional fleet

management

structure

Participate in inter Health

Board/NSS proposal for

regional service

Head of Facilities

40%

Mar-21

**Investment needs**

2020-21 planned fleet replacements include:

By lease:

1 x small van

4 x 3.5 tonne vans

By purchase: (£60k funding requirement)

4 x small vans

By Transport Scotland grant funding (amount still to be awarded):

Up to 14 EV’s requested

**3.8** **State of the Board’s IM&T Assets**

No further update is available on the Boards IM&T assets since the 2019 Property & Asset Management Strategy.

**3.9 State of Independent Facilities**

No further update is available on Independent Facilities since the 2019 Property & Asset Management Strategy.

**4.0 Strategic Overview**

**4.1 Strategic Update**

The Board are currently undertaking a comprehensive Strategic Planning & Resource Allocation exercise for 2021/22 onwards together with a move towards a Health and Wellbeing Strategy with associated supporting strategies such as the Property & Asset Management Strategy (PAMS).

The intention is to provide an updated PAMS document with updated financial and strategic commentary in the summer of 2021.

**4.2 The NHS Fife Annual Operational Plan (AOP) 2020-21**

NHS Fife’s third Annual Operational Plan (AOP) has been superseded by the remobilisation planning which has taken place during the current pandemic.

**4.3 Financial Planning 2020/21**

As the 2020/21 financial year is almost complete, this section will be updated in the summer of 2021 with 2021/22 financial planning information.

**5.0 Proposed developments**

The major issues of note as of March 2020 are:

**5.1 Automation of the Pharmaceutical Supply Chain in Fife**

Pharmacy is key to ensure that medicine use is optimised to reduce harm, variation and waste. It is vital that the pharmacy workforce is provided with the necessary skills and training to deliver enhanced pharmaceutical care in support of the Clinical Strategy and the Scottish Government’s Strategic Plan for Pharmacy “Achieving Excellence in Pharmaceutical Care” (AEPC) where the use of digital solutions and automation are recommended. In addition, the Clinical Strategy advocates that patients should be discharged from hospital in a safe and prompt manner with the turnaround of discharge prescriptions specifically highlighted as an enabler for this.

NHS Fife is one of the few boards in NHS Scotland that does not use pharmacy or ward-based automation and relies on a largely manual system via two pharmacy stores located at Queen Margaret Hospital, Dunfermline and Victoria Hospital, Kirkcaldy. There is no automation in use in clinical areas or pharmacy. In order to maximise the one-stop dispensing model, improve turn-around times and facilitate the delivery of enhanced pharmaceutical care for all patients together with the release of valuable nursing time, a Transformational Project will be undertaken whereby the key expenditure points include:

* Centralisation of pharmacy stores to maximise and to support the introduction of pharmacy automation (pharmacy stores are located at Queen Margaret Hospital, Dunfermline and Victoria Hospital, Kirkcaldy).
* Introduction of centralised pharmacy store automation to increase the accuracy and speed of supplies to clinical areas. The potential cost for one robotics system is £200k, excluding VAT, although it is highly likely, given the number of packs requiring storage and issue, up to 3 robotic systems would be required at an estimated cost of £430k. Additional options are available and include a refrigerated system which will allow refrigerated items to be stored within the robotics system at a cost of £24k and a standalone controlled drug (CD) cabinet at £34k.
* Introduction of automation in clinical areas would reduce workload burden for pharmacy and nursing staff managing medicine orders and supplies, enable stock inventory to be managed efficiently and improve the security of medicines in clinical areas. Potential costs, excluding VAT, for all hospital beds (Acute and Health & Social Care Partnership) in NHS Fife would be approximately £3.6m with a recurring revenue cost of £85k.
* Introduction of dispensing automation - potential costs for a dispensing robotic system have not yet been identified, however, only one robotics system would be required.

The plan is for the business case to be developed and approved in 20-21 with implementation in 21-22.

**5.2 HEPMA Project (Hospital Electronic Prescribing & Medicines Administration)**

Hospital Electronic Prescribing Medicines Administration (HEPMA) is currently being implemented across NHS Scotland. NHS Fife’s Outline Business Case was approved by the Board in November 2019. The Full Business Case will be submitted to the Board for approval in July 2020.

The primary aim of (HEPMA) is to remove paper based processes from prescribing and medicines administration and significantly improve patient safety and quality of care. In addition, an electronic system will improve our medicines management processes and enhance medicines optimisation. This will give greater control over what is prescribed, how it is prescribed and how it is administered. It will also enable monitoring and feedback to prescribers and those administering medicines to address variation, minimise inefficiency and improve quality. A National Business Case was developed in 2016, agreement was reached that HEPMA would be available as a National Framework with NHS Boards calling off the agreed framework.

The HEPMA Programme Board agreed NHS Fife should undertake a mini competition subject to sign off in principle of the Outline Business Case to ensure best value. The Scottish Government has confirmed that central eHealth funds will be made available to NHS Boards to fund non-recurrent revenue and capital costs (but not local hardware costs). This funding equates to £1.4m for NHS Fife - the profile over future financial years is yet to be confirmed. In recent discussions with Scottish Government, there is the potential for £500k capital to be allocated to NHS Fife in 2019/20, subject to NHS Fife Full Business Case approval in order to proceed with HEPMA and spend within the financial year. There is a need for NHS Fife to identify the source of both Capital and Revenue funding for this project.

**6.0 Summary 10 Year Investment Plan 2020**

