

Board of Directors

Item 3.1

Subject: Estate Strategy Progress Update
Date of Meeting: 31st May 2023
Presented by: Adam Hope, Head of Estates
Purpose: For Assurance

BAF Ref	Impact on BAF
BAF 2	An effective Estates strategy supports delivery of outstanding services and mitigates against the resource constraints that exist in respect of capital

Level of assurance (please tick one)					
✓	Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice		Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness		Low assurance Evidence indicates poor effectiveness of controls

1. Executive Summary

This paper provides the Board of Directors with assurance on delivery and progress of LHCH Estate Strategy 2022-2025 providing key highlights.

Estate utilisation has been an area of key focus during the reporting period, and a set of principles have been established and adopted across the Trust against which accommodation is being managed. These principles have been used in the delivery of the Nurse Specialist Offices and Moroney House HR Offices, providing additional desk spaces, supporting the management of the estate. The Estates Team and Strategic Accommodation Group will continue to implement the principles to maximise the utilisation of the estate.

The Estates Team began a Critical Infrastructure Review in January 2023 to survey critical plant and equipment at LHCH, and to date a total of 395 assets have been reviewed. This exercise will highlight risks to delivery of mechanical and electrical services to the Trust by investigating condition, age, probability of failure and potential consequence concluding in an overall risk rating per asset. The output of this review will provide key data to build the Estates Capital ask for future years.

LHCH have also been working closely with local Trusts to identify and implement collaborative opportunities and management of shared risks, with the implementation of a range of joint site meetings, providing vital communication between key members.

Considerable progress has been made across all strategic objectives proposed within the Estate Strategy within the previous 6-month period, with further plans and initiatives being developed for implementation.

The Board of Directors is asked to note the progress made and plans progressing.

2. Background

The LHCH Estate Strategy was presented to the Board of Directors in November 2022 and approved for implementation. The strategy was developed in line with the Trust's wider strategic objectives, to ensure alignment with the wider vision of LHCH and maximise opportunities for development.

To ensure an effective and collaborative approach, the Estates Team engaged with stakeholders throughout the organisation to enable us to provide safe, secure, high-quality buildings which support current and future healthcare needs for the benefit of our patients, their families and, just as importantly, our workforce.

3. Progress Highlights

The Estate Strategy provided six key strategic objectives to be achieved within the five-year timeframe, that enable LHCH to make a difference, not only to patients, but to the workforce and partnerships of the organisation.

The Estates Team continue to work closely with key stakeholders to deliver the below strategic objectives:

1. Improving the way all space across the LHCH estate is utilised
2. Providing a high standard of safe and compliant services and infrastructure across our estate
3. Delivering our Green Plan progressing towards achieving Carbon Net Zero
4. Improving efficiency and reducing annual expenditure on waste
5. Alignment and adaptations to our existing clinical areas to support the LHCH Clinical Strategy
6. Developing and maintaining partnerships with local Trusts

(1) Estate Utilisation

The current Estates is utilised 100% with no spare capacity across both clinical and non-clinical areas. This has created operational pressures with service expansions and team restructures being hampered by the lack of space on the estate. A Strategic Accommodation Group has been established with executive oversight to provide a strategic approach to accommodation across the site and its utilisation, primarily across the non-clinical areas.

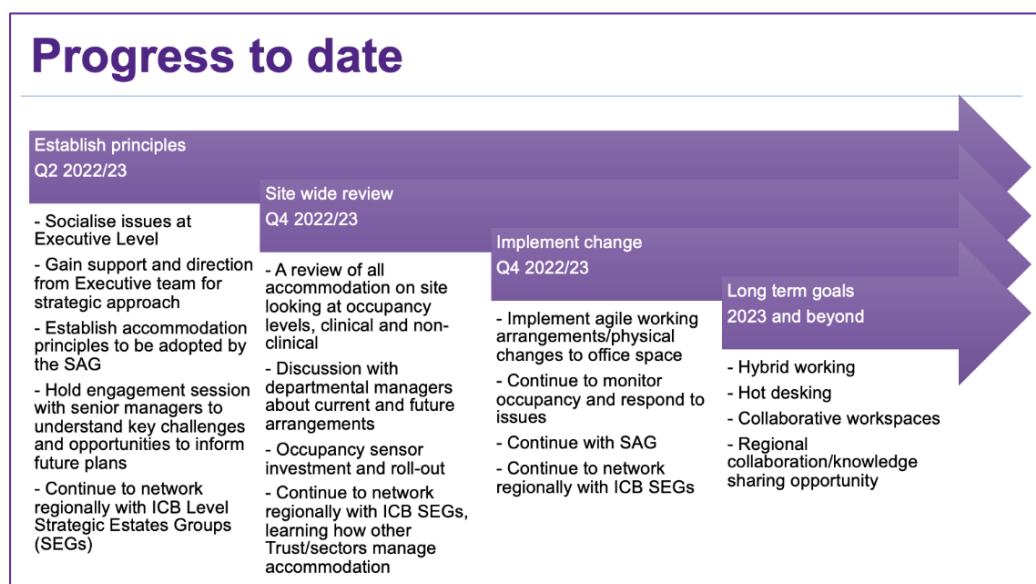


Figure 1 – Estate Utilisation Progress to Date

A set of principles have been established and adopted across the Trust against which accommodation is being managed, as follows:

- every staff member will have a space to work in which is conducive to the requirements of their role
- every staff member is supported to fulfil their role in a safe and effective way
- no member of staff 'owns' space and people may be asked to move in the best interest of the Trust
- open plan offices will be considered the norm of provision with hot desking
- personal storage is to be kept to a minimum to allow for hot desking
- single offices will be allocated on the requirement of the individual's post

A series of engagement sessions have been carried out with senior managers across the Trust to ensure support with the principles

The first projects undertaken against these principles were Nurse Specialist Offices and Moroney House HR Offices, providing additional desk spaces and an environment which the staff have fed back is a great place to work. From a strategic perspective this has created additional desk spaces to support the management of the estate.

Looking ahead into 2023/24, we are focussing attention on the under optimised areas of the site. This will start with the Management Portakabins and will follow the same approach as done with the Nurse Specialist Offices by creating floorplans to understand the opportunity, engaging with the various teams and developing a proposal for sign-off.

(2) Estate Infrastructure

The Trust began a Critical Infrastructure Review in January 2023 to survey critical plant and equipment for the LHCH estate and to date has reviewed a total of 395 assets. The review is intended to highlight risks to delivery of mechanical and electrical services to the Trust to deliver world-class healthcare. The review investigates condition, age, probability of failure and potential consequence concluding in an overall risk rating per asset. The Critical Infrastructure review also investigates, in detail, the installation, any modifications and any resilient measures in place for plant and equipment, making necessary comments and recommendations.

The Estates team continue to work on the Critical Infrastructure review and plan to complete in Q3/4 of 2023.

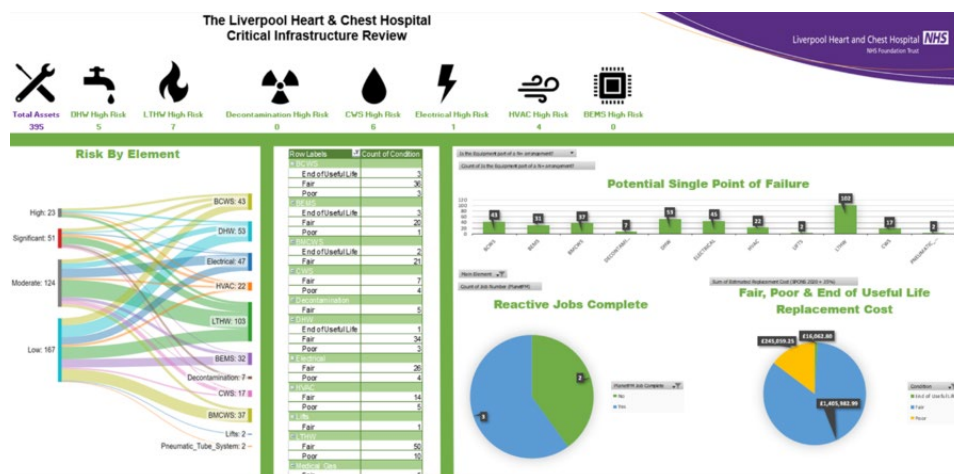


Figure 2 – Critical Infrastructure Review Dashboard

(3) Sustainability: Carbon Net Zero

LHCH are consistently working with sustainability in mind, during the reporting period LHCH have introduced several initiatives to reduce carbon emissions including improvements to green space and biodiversity, access to clothing/textile recycling for our workforce, rolling out the use of dry powder inhalers (DPI's) and reviewing the installation of smart meters and air conditioning efficiency control systems.

The Sustainability Team are currently in the process of reviewing the LHCH Green Plan to ensure progress to date is captured and present how LHCH plans to tackle carbon emissions in the future. LHCH have also recently undertaken a Staff Travel Survey in conjunction with LWH, WCNN and LUHFT, to provide crucial detail around staff transport.

The Trust has submitted a SALIX Phase 4 Low Carbon Skills Fund grant application to produce detailed design up to RIBA stage 4 for the implementation of the recommendations from the Heat Decarbonisation plans from SI Sealy acquired in May 2022, following a successful SALIX Phase 2 Low Carbon Skills Fund grant application. All applicants are expected to be informed of the outcome of applications in June 2023.

The Trust had previously submitted an application for SALIX Phase 3b Public Sector Decarbonisation Scheme but regrettably were unsuccessful. Pending a successful Phase 4 LCSF bid, the Trust anticipates approval for further grant applications for the implementation of the detailed design that will be obtained as part of the Phase 4 LCSF bid.

Discussions are ongoing with LUHFT to explore the upgrade of the site electrical supply capacity, to provide the required capacity for delivery of carbon reduction measures.

The Estates Team are currently compiling an options appraisal to understand if appointment of an energy manager would be beneficial in reduction of energy usage, carbon emissions and cost at LHCH. Several options are being considered, including potential of shared resource with other local Trusts.

(4) Waste Expenditure

As LHCH shares several waste services with LUHFT, waste management is a key area of focus as management of these contracts are not within LHCH gift to renegotiate. The LHCH Facilities team have been working closely with LUHFT to ensure effective management of the waste service and to reduce expenditure where possible.

In 2021/2022, LHCH waste cost on average £8.32/m², which is above the national upper quartile of £6.92/m². LHCH planned to target reducing waste costs to get closer to the upper quartile figure of £6.92/m² in 2022/23, and the figures for the 2022/23 FY are currently being compiled and will be available early June 2023.

Description	Cost per sqm of occupied space
LHCH	8.32
Upper National Quartile	6.92
Median National Quartile	5.04
Lower National Quartile	3.80

Figure 3 – Waste Expenditure 2021/22 (£/m²)

During Q3 of 22/23, LHCH were informed by the waste management provider that their compliance team had identified high levels of incorrect segregation of waste. Due to this, all LHCH waste had to be incinerated for a 3-month period, at significant cost to the Trust. LHCH regained compliance in January 2023.

The Facilities Team have introduced several initiatives to improve awareness of processes and compliance across the Trust, including addition of waste segregation information at local inductions, introduction of information posters for display across the site, and development of a mandatory learning package.

(5) Alignment With Clinical Strategy

The Estates Team continue to work closely with clinical teams across LHCH to support and improve delivery of care utilising the existing estate and infrastructure.

The Estates and Capital Projects Teams are currently developing designs for the refurbishment of Birch Ward, to improve compliance and ensure the area is in line with current functional requirements to ensure LHCH can deliver care priorities.

LHCH are also working closely with LUHFT to optimise the clinical utilisation of the Broadgreen site, to support any required additional capacity to deliver services.



Figure 4 – Birch Ward Design Feasibility

(6) Developing Partnerships

Due to the intricate set up between LHCH and LUHFT on the Broadgreen Site, effective management of interdependencies and boundary lines are vital in the operational running of the estate.

LHCH and LUHFT are working closely to ensure a collaborative approach to site utilisation and optimisation, with regular meetings held between the Trusts including a 'Broadgreen Collaboration Committee' meeting which covers all services provided across the Trust's and a 'Site Wide Oversight Group' which will focus on Estates and Facilities functions and aims to identify and implement joint opportunities and manage shared risks between LHCH and LUHFT.

4. Conclusion and Recommendation

We have been working closely with other providers of healthcare to develop plans to make the NHS more sustainable while working against a backdrop of rising demand and limited funding opportunities. The strategic planning and management of our own estate will evolve in the light of these closer collaborative arrangements.

Considerable progress has been made in developing and implementing plans to achieve the strategic objectives set out in the 2022 LHCH Estate Strategy.

We look forward to continuing providing Board of Directors with regular updates and further assurance regarding the strategy and initiatives implemented to deliver the LHCH Estate Strategy.

The Board of Directors is asked to note to report.