

NORTH EAST AMBULANCE SERVICE NHS TRUST
ESTATES STRATEGY 2011 - 2012 – UPDATE REPORT

REPORT PRESENTED BY: DIRECTOR OF FINANCE

Introduction

This report was produced following liaison with the Operations Directorate, and puts forward the proposed Estates Strategy for the 2011 / 2012 financial year. Due to the current Accident and Emergency (A&E) remodelling works and ongoing review of the Trust's Patient Transport Service (PTS), we have produced a short term estates strategy. A longer term strategy will be produced following the completion of the aforementioned projects. In anticipation of the revised operational model, outline funding has been identified within the "Long Term Financial Model" (LTFM) to facilitate the projects findings.

In addition, this report details the current condition of the Trust's estate and provides ratings for key building elements.

1. Purpose of the Estate

The primary purpose of the estate is to provide support to the delivery of patient care. It does this by supporting a number of functions:

- Accident & Emergency Service
- Control/Call Centre functions
- Patient Transport Services
- Fleet Support/Workshops
- Training
- EPU / HART
- Management and Administration functions

To achieve this, the estate should provide "Buildings fit for purpose" which must add value to the functions they support, respond to a changing service model and pattern of demand, comply with the legal requirements and be maintained in such a way that they continue to comply with the relevant standards and manage estate related risks effectively.

2. Estate Strategy and Performance Indicators

The most recent annual results, which are collated through the NHS Estates Reporting Information Centre (ERIC), are located in appendix D.

To summarise, the North East Ambulance Service achieved:

Green Ratings:

- Asset Value
- Total Backlog Maintenance
- Rent and Rates
- Depreciation
- Maintenance Costs

Amber Ratings:

- Occupancy Cost
- Buildings £10/m2

- Equipment £10/m2
- Critical Backlog Maintenance £/m2
- Capital Charges

Red Ratings:

- Income £10/m2
- Activity /100m2
- Land m/2
- Risk Adjusted Backlog
- Energy & Utility £/10m2

Red Ratings:

Income per £10/m2 – NEAS has a low income per metre square of estate. This implies that the estate is too large and can be explained by the Trust’s operational model.

Land Cost - NEAS has a low land cost. This is partly due to our location in the North East of England and that our sites are chosen to maximise operational coverage.

Energy / Utility costs – high utility usage in 2009/10 when compared to consumption data submitted by other ambulance Trusts. Throughout the financial year investment has been made to reduce the estates carbon footprint and details of the works can be seen in Section 4 of this report titled “Invest to Save”. This can be explained by the Trust’s operational model.

Rent and Rates – NEAS estate has high rent and rates costs. This is due to the Trust having a large number of co-location sites and other leasehold properties. This can be explained by the Trusts operational model.

3. Estate Condition 2010/2011

A review of the estates condition has been carried out with consideration to the following indicators:

- Physical Condition
- Functional Suitability
- Space Utilisation
- Quality
- Fire & Statutory Legislation
- Energy and Environment

An analysis by site is included in Appendix A.

4. Estates Activity 2010/2011

A salient list of the main estates activity in this financial year is detailed below:

Hartlepool North Ambulance Station - The conversion of this new facility was completed in July 2010 and provides A&E accommodation located within the town’s Territorial Army centre.

Hartlepool South Ambulance Station - The refurbishment of two industrial units in the towns Park View Industrial Estates was completed in June 2010. The property provides A&E and PTS accommodation. Together these stations replaced the former Hartlepool Ambulance station in Elwick Road, which is now available for disposal (see 6).

Backworth (Shiremoor) Ambulance Station - This new A&E facility was completed in December 2010 and replaces the former Tynemouth Ambulance Station. Operational staffs have utilised Hawkey’s Lane station since Tynemouth station closed in 2008 /2009.

West Hartford Ambulance Station - Relocation from our previous co-location with Northumberland Fire Service in Cramlington to their new facility located on West Hartford Business Park was achieved in August 2010.

Scotswood House Refurbishment - The refurbishment and occupation of Scotswood House was completed in January 2011. The building provides the Trust with accommodation for the following departments:

- Commercial Training Services
- Clinical Training
- 111 / Single Point of Access (SPA) Training
- 111 / SPA call taking (out of normal working hours)

This project has enabled the closure of Fulbeck Grange and has released additional space within Bernicia House and has therefore made a significant contribution to the Trust's Cost Improvement Programme (CIP).

Pallion Car Park and Security Works - Works to provide additional parking facilities, enhanced security and health and safety measures at Pallion were completed in February 2011.

Sluice Rooms - In accordance with CQC recommendations the Trust's sluice room refurbishment programme is due for completion in March 2011. Phases 1, 2 and 3 are progressing well. A small number of sites have been carried into the 2011/2012 Capital Programme due to uncertainty about the long term future of the sites and other planned developments.

Asbestos Removal Programme - The second phase of the Trust's asbestos removal programme was completed. The programme will be completed in 2011 /12.

Condition Deficiency Programme - An investment of circa £300,000 was injected into the Trust's estates to address backlog maintenance.

Garage Door Replacement Programme - The condition of the Trust's garage doors was assessed and investment was targeted at the following sites:

- Newton Aycliffe
- Wallsend
- Pallion

Invest To Save Programme - Investment was made at the following locations:

- Peterlee – Hot Water System Replacement & Lighting Controls
- Crook – Lighting Controls
- Bishop Auckland – Lighting Controls
- Coulby Newham – Hot Water System Replacement & Lighting Controls
- Gateshead – Lighting Controls
- Wideopen – Lighting Controls
- Newcastle Central – Lighting Controls
- Pallion Ambulance Station – Photovoltaic Trial
- Ryhope – Boiler Replacement
- Monkton – Boiler Replacement
- South Shields – Boiler Replacement
- Ashington – conversion from oil heating to gas
- Bishop Auckland – Heating Replacement
- Newton Aycliffe – Heating Replacement
- Seaham – Heating Replacement

The above projects will be monitored throughout 2011/12. The anticipated savings of 68,441 Kg/CO2 and associated cost savings will be monitored via the Environmental Working Group and the Cost Improvement Programme.

5. Estates Activity 2011/2012

A summary of the planned estates activity throughout the 2011 / 2012 financial year is detailed below:

- Condition and Deficiency Programme – although the Trust achieved a green rating in the latest NHS ERIC return (when compared to other Ambulance Trust's), indicating that the overall level of backlog maintenance is low, NEAS has committed further investment for 2011 / 2012 to enhance and maintain the condition and quality of the Trust's estate. Further Details can be found in Appendix B.
- Morton Park – Provision of additional facilities
- Life Safety System Improvements – upgrading of Emergency Lighting and Fire Safety measures.
- Fixed wiring tests – testing of electrical systems.
- Closure of Tower House – (as previously approved to release savings for the CIP).
- The undertaking of an estates review, considering current lease commitments, locations and any physical constraints of the buildings and surrounding land following the completion of the on going modelling projects.
- Garage Door Replacement Programme – replacement of ageing garage doors with increasing repair and maintenance costs.
- Asbestos Removal Programme – implementation of phase 3.
- Invest to Save works are anticipated at the following sites following feasibility studies and determination of the resulting payback period:
 - Pallion Ambulance Station – Boiler Replacement
 - Pallion Ambulance Fleet Workshops – Boiler Replacement
 - Pallion – Installation of PV following 6 month trial
 - Middlesbrough – Replacement of Garage Heating
 - Stockton – Boiler Replacement
- The provision of additional facilities at Stanhope Community Hospital (although subject to commissioners support).
- Stock Condition Surveys of 50% of the Trust's estate.

6. Assets Held for Sale

Assets held for sale in 2011 / 2012 will be:

- Hartlepool Elwick Road Site
- Fulbeck Grange
- Bellingham

This will enable the 'suspension' of depreciation for these sites, thereby contributing to the Trust's CIP.

7. Estates Finance

Financing of the strategy will be within the limits of the Trust's agreed financial plan (separate board paper). Appendix C details the available funding.

8. Estates Strategy Development

Throughout 2011/12 the Trust aims to develop a long term estates strategy with reference to the following salient points:

- To be in keeping with the A&E modelling programme
- To be in keeping with the findings of the PTS review
- To meet the needs of the Trust's training departments
- To meet the needs of Fleet Services

- To meet the needs of Control
- To support the Trust's 111 and call taking aspirations and to become the prime provider of telephone based health advisory services
- To achieve NHS and government targets for estates
- To support the Trust's Cost Improvement Programme
- The Trust is looking for opportunities to co-locate with other health partners, wherever possible especially in rural areas. For estates this will mean disposals of some current sites.
- We will be looking for possible co-locations or the development of existing sites and the formation of a robust standby strategy
- The Trust will be constantly and actively looking at energy saving schemes to reduce its carbon footprint and provide cost improvements
- We will continue to implement the Condition Deficiency Programme to reduce backlog maintenance and improve the estate quality
- We will continue to consider and implement improvement schemes

9. Condition Deficiency 5 Year Costs

As part of the latest 6 Facet Survey we have calculated budget costs for the anticipated works required over the next 5 years.

This information is available upon request.

10. Summary

The following points summarise the methods by which we will develop and implement the Estate Strategy.

To ensure continuous improvements we will:

- Continue to reduce backlog maintenance
- Continue to address energy usage
- Reduce the number of rented premises and investigate the possibility of staff using suitable standby points

Condition Deficiency:

We will continue to give high priority to maintenance of the estate and target investment to enhance and maintain the condition and quality of the Trust's estates to a high standard.

Energy:

The Trust has successfully invested staff time and capital funds in reducing utility usage. A working party was set up which will continue to address and monitor environmental issues and have committed £200,000 of capital funds to energy saving measures within the 2011 -12 programme of works.

Disposals:

The disposal of the former Hartlepool and Bellingham ambulance stations together with the former conference centre at Fulbeck Grange, Morpeth are to be progressed.

Staff and Community Involvement:

In all future moves, staff will be given every opportunity to have an input and will be consulted through the appropriate channels.

11. Recommendation

The Trust Board is recommended to approve the proposed 2011/2012 Estates Strategy and note the development of a Long Term Estates Strategy.

Craig Armstrong
Estates Consultant
26th January 2011

APPENDIX A – ESTATE CONDITION 2010 / 2011

Trust Condition 2010 / 2011							
Premises	Physical Condition	Functional Suitability	Space Utilisation	Quality	Fire & Statutory	Energy & Environment	Average Ratings
Alnwick	B	B	U	B	C	B	B
Ashington	B	B	O	C	C	B	B
Backworth	A	A	F	A	A	A	A
Barnard Castle	B/C	B	F	C	B	C	B
Belford	B	B	F	B	C	B	B
Bellingham G.P.	A	A	F	A	A	A	A
Berwick	B	B	F	B	B	B	B
Billingham	B	B	F	B	C	B	B
Bishop Auckland	B	B	O	B	C	B	B
Bishop Auckland PTS	B	B	F	B	B	B	B
Blucher	B	B	O	B	C	C	B
Carlin How	C	B	F	C	B	C	C
Central - Newcastle	B	B	F	B	C	B	B
Chester Le Street	B	B	F	A	B	B	B
Consett	B/C	B	F	C	B	C	C
Coulby Newham	B	B	U	B	C	C	B
Darlington Morton Park	B	B	F	C	C	C	C
Debdon Gardens	B	C	F	B	B	B	B
Durham TA	B	B	F	C	C	B	B
Gateshead	B	B	O	B	C	B	B
Fishburn	B	B	F	B	B	B	B
Haltwhistle	B	B	U	B	B	B	B
Hartlepool North	B	A	F	A	A	A	A
Hartlepool South	B	A	F	B	A	A	A
Hemlington Row	B	A	F	B	B	B	B
Hexham	B	B	U	B	C	B	B
Hawkey's Lane	B	B	F	B	A	B	B
Middleton in Teesdale	B/C	C	U	C	C	B	C
Middlesbrough	B	B	F	B	B	B	B
Monkton	A	A	F	A	A	A	A
Morpeth	B	B	U	B	C	B	B
Newton Aycliffe	B	B	F	B	C	B	B
Pallion	B	B	F	C	C	C	C
Peterlee	B	B	F	B	C	B	B
Redcar	C	B	F	C	C	C	C
Ryhope	B	B	F	B	C	B	B
Sandyford Road - TA	B	C	F	B	B	B	B
Seaham	B	B	F	B	B	B	B
South Shields	B	B	O	B	C	B	B
Stanley	B/C	B	F	C	C	C	C
Stockton	B	C	O	B	C	B	B
Wallsend	B	B	F	B	B	B	B
Wideopen	B	B	O	B	C	B	B
Weardale	B/C	B	U	C	C	C	C
Lanchester Road	B	B	U	B	B	C	B
Scotswood House	B	B	F	B	A	C	B
Tower House	B	C	U	B	B	B	B
Panther House	B	B	U	B	B	B	B
Bernicia House	B	A	F	A	A	A	A
Average Ratings	B	B	F	B	C	B	

Key:

Physical Condition

- A = As new, maintenance only
- B = Sound, exhibits minor deterioration only
- B/C = Currently as B , will fall below B in 5 years
- C = Operational but major repair/replacement necessary
- D = Imminent danger of breakdown
- X added to C or D = replacement only

Functional Suitability

- A = High degree of satisfaction
- B = Acceptable - no major change
- C = Less than acceptable but not critical
- D = Unacceptable in its present state
- X added to C or D requires replacement/rebuild

Space Utilisation

- U = Underused
- F = Adequately used
- O = Overused/Overcrowded
- E = Empty

Quality

- A = Excellent quality
- B = Requires maintenance investment only
- C = Less than acceptable requiring capital investment
- D = Very poor facility - major capital investment
- X added to C or D - replacement only

Fire & Statutory

- A = Complies with all relevant standards
- B = Minor action required to relevant standards
- C = Known contravention requires capital investment
- D = Dangerously below B - Major capital investment
- X added to C or D requires replacement

Energy & Environment

- A = Ideal performance and conditions
- B = Acceptable performance/conditions
- C = Requires capital to bring up to B
- D = Requires major change and capital
- X added to C or D requires replacement only

APPENDIX B – CURRENT AND PLANNED ESTATES ACTIVITY

North of Tyne Region

Item	Activity	Status	Comments
1	Co-locate at Haltwhistle Community Hospital and dispose of existing station	Ongoing	
2	Hexham Station - decorate Internally		
3	Wallsend Station - decorate externally		
4	Haltwhistle Station - decorate internally		
5	Debdon Gardens - decorate externally		
6	Sandyford - decorate externally		

Durham Region

Item	Activity	Status	Comments
1	Provision of additional facilities at Stanhope Community Hospital	Ongoing	Planning permission obtained.
2	Relocate Middleton-in-Teesdale facility to Barnard Castle Ambulance Station following the consultation process and dispose of existing station	Ongoing	
3	Darlington PTS (Morton Park) - decorate Internally and some internal modifications		
4	Stanley - replace kitchen units		
5	Newton Aycliffe - decorate externally, replace flooring and W.C. refurbishment		
6	Peterlee - decorate externally and replace up and over sectional garage doors		
7	Helmington Row - decorate Internally and apply coat of sealant to accommodation roof		
8	Consett Station - decorate externally and replace flooring		

Tees Region

Item	Activity	Status	Comments
1	Undertake review of the Tees Estate	Ongoing	
2	Redcar - internal decoration and internal improvements. Replace flooring		
3	Coulby Newham - decorate externally and		

	replace sanitary ware in Men's/Women's W.C. Showers		
4	Stockton AS & Workshops - replace flooring		
5	Carlin How - treat garage floor and replace Garage Doors		

South of Tyne Region

Item	Activity	Status	Comments
1	Pallion AS / Electronics / Equipment / Stores- Replace roof lights to Station and replace flooring (ground and first floors of station)		
2	Potential relocation of Rainton Bridge	Ongoing	
3	Boiler Replacements at Ryhope, South Shields and Gateshead	Ongoing	
4	Pallion Workshops - replace Poly Carb cladding and overhaul reception area	Ongoing	
5	Gateshead - decorate internally		
6	South Shields - decorate internally		

Support Buildings and General

Item	Activity	Status	Comments
1	Bernicia House - decorate internally and carry out fixed wiring tests		
2	Panther House - refurbishment of first floor and sublet to new tenants	Ongoing	
3	Stock condition survey of 50 percent of the Trust's estate	TBA	

The above works have been identified by external consultants and will be funded by the condition deficiency programme in 2011 / 2012. Please note: larger schemes will be subject to the Trust's

APPENDIX C – 5 YEAR CAPITAL EXPENDITURE FORECAST

NORTH EAST AMBULANCE SERVICE NHS TRUST

FIVE YEAR CAPITAL PLAN	Year 1	Year 2	Year 3	Year 4	Year 5
	2011-12	2012-13	2013-14	2014-15	2015-16
	Capital Prog	Capital Prog	Capital Prog	Capital Prog	Capital Prog
	£'000	£'000	£'000	£'000	£'000
<u>Estates programme</u>					
Health and Safety	205	205	205	205	205
Invest to save	205	205	205	205	205
Garage Doors	50	0	0	0	0
Replacement Plant & Machinery	40	40	40	40	40
Control Room Furniture Replacement	0	0	205	80	0
Sluice Room facilities	102	0	0	0	0
Strategic Estates Developments	250	500	500	500	500
Single Point of Access/111 Roll-out (Estates/F&F)	104	0	0	0	0
Estates Total (including VAT)	956	950	1,155	1,030	950

APPENDIX D – ERIC COMPARISON AGAINST OTHER AMBULANCE TRUSTS

NORTH EAST AMBULANCE SERVICE NHS TRUST - 2009/2010

PI SUMMARY	Trust PI	Grouping PI (Percentile Bands)		
		33%	34%	33%
Space Efficiency				
Income £10/m ²	355	367	368 and 421	422
Activity/100m ²	0	0	1 and -1	0
Asset Value £10/m ²	153	109	110 and 151	152
Occupancy Cost £/m ²	353	265	266 and 332	333
Asset Productivity				
Asset Value £10/m ²	153	109	110 and 151	152
Capital Charges £/m ²	265	167	168 and 228	229
Total Backlog £/m ²	29	33	34 and 52	53
Rent & Rates £/10m ²	332	509	510 and 575	576
Asset Deployment				
Land £/m ²	134	217	218 and 426	427
Building £10/m ²	67	37	38 and 54	55
Equipment £/m ²	724	415	416 and 533	534
Capital Charges £/m ²	265	167	168 and 228	229
Estate Quality				
Asset Value £10/m ²	153	109	110 and 151	152
Depreciation £/m ²	219	131	132 and 172	173
Critical Backlog £/m ²	19	1	2 and 22	23
Risk Adjusted Backlog £/m ²	19	2	3 and 13	14
Cost of Occupancy				
Rent & Rates £/10m ²	332	509	510 and 575	576
Energy/Utility £/10m ²	312	183	184 and 233	234
Maintenance Costs £/10m ²	239	208	209 and 255	256
Capital Charges £/m ²	265	167	168 and 228	229