



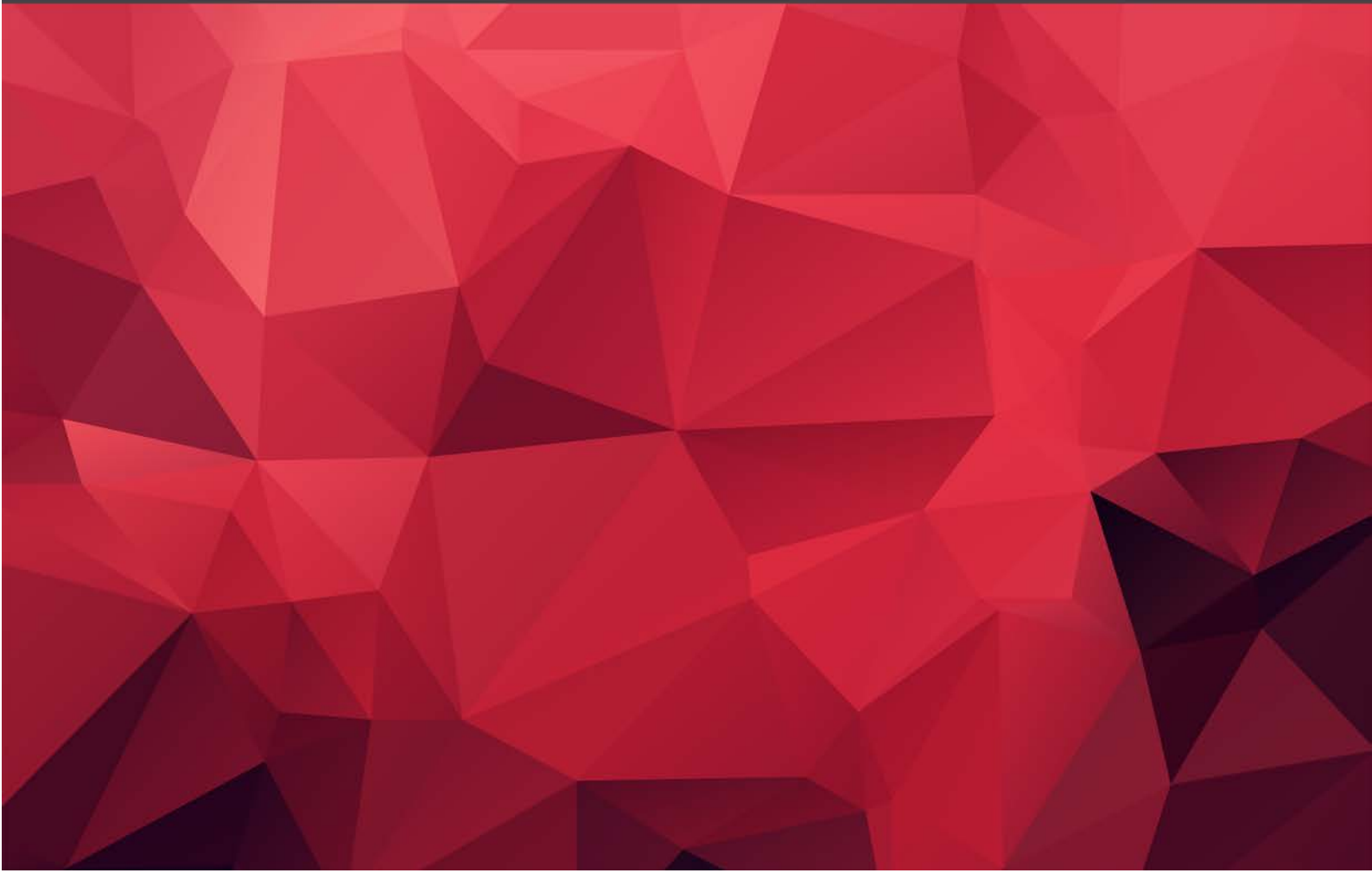
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Review of Estates – Cardiff and Vale University Health Board

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Contents

The Health Board is taking positive steps to improve estate management, but would benefit from introducing a strategic plan to direct activities.

Summary report

Introduction	4
Recommendations	7

Detailed report

The strategic approach to estates management is improving but there is no overall strategy	8
Performance management and staff engagement are improving but the service is under-resourced compared to the size and condition of the estate	12

Appendices

Appendix 1 – NHS Wales’ estates dashboard performance	21
Appendix 2 – estates IT system – illustrative analyses	26
Appendix 3 – management response	31

Summary report

Introduction

- 1 The National Health Service in Wales' (NHS Wales) estate exists to support the provision of health care services. Buildings and infrastructure are valuable resources that can directly influence health service performance. They need to be of an appropriate type, condition and location, but can be costly to run and maintain.
- 2 Health boards across Wales typically have a diverse estate with numerous buildings, geographically dispersed, and of varying age and condition. Around 70% of Cardiff and Vale University Health Board's (the Health Board) estate is over 30 years old.
- 3 Successful estate management requires input and effort from health boards, and involves two broad activities:
 - **strategic management of the estate** – this is important for making sound decisions about current use and future development of estates. The board, supported by relevant professionals, should determine what estate is needed to support service delivery, approve plans to deliver this, and provide oversight. The Health Board's Integrated Medium Term Plan (IMTP) will be a key influence on this. Without a strategic approach, there is a risk that estate management and service development decisions are not coordinated. This creates a further risk that financial investment in the estate may be misdirected.
 - **operational management of the estate** – this is important for ensuring the estate remains fit for purpose on a day-to-day basis, and that professionals are able to acquire, modify, and dispose of parts of the estate as required.
- 4 Effective and efficient management of the estate should deliver value for money; however, insufficient attention to either strategic or operational matters can result in money being wasted and sometimes substandard service delivery to users.
- 5 Within the Health Board, estates management is the responsibility of the Capital, Estates and Facilities Service Board (the Service Board), which was established in April 2016 following a restructure. The Service Board is responsible for estates and facilities management, compliance and discretionary capital, capital planning and commercial services:
 - the Estates and Facilities team is responsible for hard and soft facilities management. Hard facilities management includes estate repairs and equipment management (excluding medical equipment), and soft facilities management means services like catering, portering, cleaning and laundry. The team is split geographically, north and south of the A48.
 - the Compliance and Discretionary Capital team is responsible for ensuring the Health Board meets statutory compliance obligations such as fire safety regulations and protecting against legionella. The team is also responsible for managing capital works funded through discretionary capital monies.

- the Capital Planning team is responsible for overseeing major capital works, for example the build of the new children's hospital at University Hospital Wales (UHW) and new mental health unit at University Hospital Llandough (UHL).
 - the Commercial Services team is responsible for generating income from the Health Board's estate such as through leasing commercial units in the hospital concourse.
- 6 For 2015-16, the Health Board's total capital budget was just over £34.5 million. The majority of the total (£24.5 million) was for developments identified and agreed through the all-Wales capital programme, such as the redevelopment of accident and emergency and assessment units. The rest (£9.9 million) was for discretionary capital schemes such as refurbishment programmes, statutory health and safety compliance, and addressing backlog maintenance. Estates maintenance is paid for through revenue funding, and the annual allocation is in the region of £5 million.
- 7 In 2014, the Health Board undertook a comprehensive review of its estate to inform the ten-year capital plan requested by the Welsh Government. The review highlighted that a significant level of funding would be needed to bring estates and equipment up to an optimum standard. For 2015-16, the Health Board identified the need for a further £47.7 million discretionary capital funding, on top of the £9.9 million already secured.
- 8 Structured assessment is the Auditor General's annual examination of NHS bodies' arrangements to support good governance and the efficient, effective and economical use of resources. Previous structured assessments highlighted issues with the Health Board's estate; for example, the Health Board has the second-highest backlog maintenance¹ in Wales on a risk-adjusted basis². Of this backlog, around £33 million is categorised as high and significant risk. Compared to other health bodies in Wales, the Health Board's performance is generally below average on the Welsh Government's estates indicators. Cardiff and Vale is the lowest-performing health board for physical condition of estates and second-lowest for functional suitability. Fire safety compliance is the only target the Health Board has met³. [Appendix 1](#) shows the Health Board's historic performance on the NHS Wales' estates dashboard since 2008.
- 9 For 2015-16, the Health Board did not set a balanced financial budget. The Health Board forecasted a £13.2 million deficit, which it plans to reduce to £8.4 million over the next three years. Within this difficult financial environment and a significant maintenance backlog, it is essential that the Health Board maximises the value for money from its estate and associated resources.

¹ Maintenance required to bring assets up to an NHS specified physical condition and/or compliance with mandatory fire safety requirements and statutory safety legislation.

² **NHS Estates: A risk-based methodology for establishing and managing backlog.** Gateway reference 4102 TSO 2004

³ **NHS Estates dashboard report 2014/15**

- 10 Our review has therefore sought to answer the following question: is the Health Board managing its estates effectively? In answering this question, we have considered:
- whether the Health Board's strategic approach to estates management is robust; and
 - whether the Health Board is delivering an economical, efficient and effective estates service.
- 11 We have concluded that the Health Board is taking positive steps to improve estate management, but would benefit from introducing a strategic plan to direct activities:
- the strategic approach to estates management is improving, but there is no overall strategy:
 - the new Service Board is taking positive steps to raise the profile of the team and accountability, and clarity around roles and responsibilities have been strengthened;
 - there is no overall estates strategy, but service leaders are clear about priorities for the service;
 - efforts are being made to collate comprehensive asset data, but progress has been delayed because of limited resources, reprioritisation of funds, and surveys highlighting the need for remedial works; and
 - processes for prioritising and monitoring capital works have been introduced, and these are in line with the new Service Board structure.
 - performance management and staff engagement are improving, but the service is under-resourced compared to the size and condition of the estate:
 - resources are not consistent with the size and condition of the estate and, whilst budgets are based on service need, this is within the available budget;
 - there is an imbalance between reactive repairs and planned maintenance, which represents poor value for money;
 - it is unclear how benchmarking and market testing are being used to plan long-term efficiencies;
 - the new performance dashboard is a positive development, however, there is no inspection programme for completed repairs; and
 - management is taking positive steps to address low staff satisfaction, improve communication, and find sustainable solutions to recruit and retain trade staff.

Recommendations

Exhibit 1: recommendations

Strategic approach to estate management	
R1	To ensure the estates service is represented at board level, prioritise recruiting an independent board member for estates.
R2	Create a central log of estates-related issues and actions resulting from Clinical Board meetings.
R3	Develop a fully costed Estates Management Strategy.
An economical, efficient and effective estates service	
R4	Develop a zero-based estates budget that makes provision for likely revenue costs arising from changes to the Health Board estate, such as new buildings.
R5	Introduce a system to inspect a percentage of repairs each month.
R6	Strengthen performance management by: <ul style="list-style-type: none">• extending the new performance dashboard to include Key Performance Indicators (KPIs) for the other services covered by the Service Board; and• making greater use of the data captured through the Backtraq repairs maintenance system.
R7	To ensure repairs are correctly prioritised: <ul style="list-style-type: none">• run Backtraq refresher training for helpdesk staff; and• review questions on call handlers' scripts.

Detailed report

The strategic approach to estates management is improving but there is no overall strategy

The new Service Board is taking positive steps to raise the profile of the team and accountability, and clarity around roles and responsibilities have been strengthened

- 12 The Capital, Estates and Facilities Service Board was created following a restructure in April 2016. The new structure provides clear lines of responsibility for each area of business, that being: estates and facilities; compliance and discretionary capital; major capital works; and commercial services. The Director of Planning is the executive lead and the Director of Capital Estates and Facilities Management is responsible for the day-to-day operation of the service. A Head of Finance and Head of Workforce and Organisational Development also sit on the Service Board.
- 13 At board level, there is an opening for an independent member leading on estates; at the time of this review, the position had been vacant for approximately six months. Decisions such as approving the capital plan are taken at board level. To ensure there is an advocate for estates, it is important that the Health Board recruit to this position as soon as possible. However, we were told that the board is supportive and aware of the challenges facing the estates service.
- 14 Estate-related matters are reported through the People, Planning and Performance (PPP) committee and the Quality, Safety and Experience (QSE) committee. Planning is a standing agenda item at the PPP committee and this includes estates updates. The committee receives the capital assurance report, an update on statutory compliance; the estates risk register and KPIs for repairs. The QSE committee oversees compliance with cleaning standards⁴ and monitors remedial action plans. Both committees meet every two months and feed into the board.
- 15 At a strategic level, the main forum for scrutinising performance is at the monthly Service Board meeting, for which each head of service prepares a performance report. Operationally, there is a monthly performance meeting attended by north and south team managers, where local finance and performance issues are discussed.

⁴ The Health Board monitors its cleanliness using the all Wales 'Credits 4 Cleaning' system.

16 The functions of the service board span the whole Health Board; therefore, good communication is essential to running an efficient service. In terms of engaging with clinical boards, a senior estates manager acts as the liaison person for each clinical board. This is a recent development, but we were told that initial reports are positive. The two-way information exchange allows both clinical boards and the Service Board to raise issues and give updates. Actions resulting from clinical board meetings are reported directly to the appropriate person. We would suggest that a central log of issues and actions is developed so that frequently raised concerns can be tracked. To ensure feedback from operational staff, a staff representative attends the monthly service board meetings.

There is no overall estates strategy, but service leaders are clear about priorities for the service

17 There is no overall strategy for the estates service. Instead, the strategic intention for the service is set out in the Health Board's Integrated Medium Term Plan (IMTP). There is also a Strategic Capital Plan, which details the capital spend needed over the next ten years and outlines the current state of the estate. Recently, the Estates and Facilities team has developed an informal short-term strategy with initial medium and long-term priorities identified, but there are no timescales and it is not costed.

18 Although the IMTP and Strategic Capital Plan are costed, collectively, these documents do not cover the full scope of the Service Board's responsibilities. For example, there is no mention of priorities for commercial services. Strategic planning is key to running an effective, efficient service. A good strategy should be based on answering three questions. These are:

- Where are we now?
- Where do we want to be?
- How do we get there?

19 The executive lead was clear that the three main priorities for estates are reducing the Health Board's footprint within the next 10 to 15 years, ensuring statutory compliance obligations are met, and managing resources efficiently. Whilst the IMTP outlines the main priorities and challenges for the estates service, it does not set out, in detail, how the priorities will be achieved.

20 We recognise that this is a relatively new Service Board, but it needs a strategy which sets out where it is now, where it wants to be and how it will get there. The priority to manage resources more efficiently involves an element of service transformation. Developing a strategy will allow operational-level staff to understand the future direction and vision for its service, which in turn will build trust. The existing strategic documents provide a good baseline, but the strategy should encompass all services delivered, detailing costs, workforce challenges and performance indicators for each team.

- 21 The service is starting to implement strategic tools, for example by rolling out a planned maintenance programme, refurbishment programmes, and by piloting a ward-based multi-trade handyman. These should all be set out in a team or service delivery plan which links up to the overall strategy.

Efforts are being made to collate comprehensive asset data but progress has been delayed because of limited resources, reprioritisation of funds and surveys highlighting the need for remedial works

- 22 The Health Board does not have a comprehensive asset database, but is in the process of collating asset data through condition surveys. The Health Board has a legal obligation to ensure its buildings meets health and safety regulations such as asbestos, gas, electricity and fire safety. In 2014, an independent review of all areas of estates compliance found that over 40 individual elements of the estates installations were in need of annual inspection to comply with statutory and mandatory obligations; this presents a high risk for the Health Board. The Health Board created an Estates Compliance team to tackle the issues. The team had recently recruited up to full establishment at the time of this review.
- 23 The team has developed a statutory compliance inspection programme and progress is reported at monthly Service Board meetings and at PPP committee. However, a number of issues restrict the inspection programme, for example the availability of funding. Initially, the cost to undertake the inspections was estimated at approximately £4 million, but just over £1 million was made available through the estates maintenance budget. Plus, due to past underinvestment in the estate, the condition surveys are unearthing a lot of remedial works which has put pressure on budgets and added to backlog maintenance. For example, annual funding for legionella compliance increased from £178,000 to £400,000 post inspection.
- 24 The Health Board recognises that without comprehensive stock condition data, it is difficult to understand the full cost of the works needed to bring estates up to the required standard. The Estates Compliance team had intended to develop a full asset database within two years, but delays in restructuring, resource and funding issues, and remedial works resulting from stock condition surveys has doubled the timescales to four years, and this is subject to available funding.
- 25 The challenge for the team is to maintain a safe and functional estate within a limited budget. The budget for backlog maintenance for 2015-16 was £1 million (from discretionary capital funding). Due to the age of the estate, a number of appliances are rated D post condition survey. Category D means the appliance is operationally unsound and in imminent danger of breakdown. The extent to which there are D-rated appliances, alongside a limited budget, has meant that the compliance team has had to further categorise the D-rated appliance based on a 1-5 category to ensure that the critical works are prioritised.

Processes for prioritising and monitoring capital works have been introduced and these are in line with the new Service Board structure

- 26 The Capital Management Group (CMG) is responsible for approving (and monitoring) the capital programme, prior to board endorsement. The group meets monthly and reports to the PPP committee. The group is chaired by the Health Board's Chief Executive because of the high risks associated with estates. All capital business cases have to be approved by CMG.
- 27 The Capital Planning team has developed a Gantt chart detailing all capital projects including those in the ideas phase. The chart is used to facilitate fortnightly discussions between the Director of Capital, Estates and Facilities and the Chief Operating Officer. A capital projects update report is taken to the monthly Service Board meeting.
- 28 As stated earlier, a review of estates for the all-Wales Capital Review identified a list of capital developments and equipment replacement requirements that the recurrent discretionary capital funding could not cover. Therefore, CMG developed a prioritisation framework to guide the prioritisation of major capital works.
- 29 For smaller requests of discretionary capital funding, departments have to complete a capital scheme funding request form. Details requested on the form include description of the proposal, costs, timetable, risk assessment and which other departments have been consulted. We were told the appropriate clinical board director must sign off the form before submitting to the Discretionary Capital team for consideration. The Discretionary Capital team then puts in a recommendation to the Service Board, where the spend is considered as part of the discretionary capital programme.
- 30 Whole-life costing is an investment appraisal technique that assesses the total cost of an asset over its life. It takes account of the initial capital cost, as well as operational, maintenance, repair, upgrade and eventual disposal costs. We were told that business cases for capital projects tend to include whole-life costing, but due to restricted capital funds, whole-life plans are rarely implemented. For example, BREEAM⁵ is a method used to assess and certify the sustainability of a building. When assessing, there are two BREEAM points available for life cycle costing, one for planning and one for implementation. We were told the Health Board usually only gets the point for planning, meaning that plans take whole-life costing into consideration, but the Health Board struggles to implement them. Not implementing whole-life plans result in additional cost pressures on the service budget, which, when under pressure, may risk maintenance not being carried out. The Service Board has introduced a new business case approval process, which ensures that future revenue costs such as operational and maintenance costs are accounted for.

⁵ Building Research Establishment Environmental Assessment Method

Performance management and staff engagement are improving but the service is under-resourced compared to the size and condition of the estate

Resources are not consistent with the size and condition of the estate, and whilst budgets are based on service need, this is within the available budget

- 31 The Health Board's annual estates maintenance budget is just over £5 million and this includes a ring-fenced allocation of £250,000 for backlog maintenance. The Health Board commissioned an external review⁶ to understand how it compares against other large teaching hospitals in the UK. **Exhibit 2** shows that Cardiff and Vale has the lowest spend per square metre compared to similar-sized organisations and compared to the all-Wales average, generally spending £10 less per square metre.
- 32 **Exhibit 2** also shows that the Health Board has a smaller workforce compared to similar-sized organisations. The repairs team is 114 strong and is responsible for 43 buildings. The average size workforce for similar organisations is 141. These findings are based on 2013-14 figures and at the time of this review, the Service Board had commissioned a repeat of the benchmarking exercise.

⁶ Review conducted by Capita in November 2013.

Exhibit 2: estates services cost and workforce comparison, 2013-14

Hospital/trust/health board	Floor area M ²	Maintenance budget £	Workforce WTE	Spend per M ² £
Barts and the London NHS	295,290	11,920,234	126	40.40
Imperial College Healthcare NHS Trust	294,591	7,855,583	152	26.63
Central Manchester University Hospitals	279,514	10,338,644	121	36.92
Leeds Teaching Hospital NHS Trust	522,323	11,161,298	217	22.32
Nottingham University Hospitals NHS Trusts	310,463	8,109,737	161	26.16
University Hospital of Leicester NHS Trust	278,747	5,598,254	126	20.14
Oxford Radcliff Hospitals NHS Trust	316,688	8,634,772	148	27.30
Average of above	350,000	6,903,456	141	26.58
Cardiff and Vale UHB	349,725	5,375,955	114	15.36
All-Wales average	1,675,142			24.85

Exhibit source: Cardiff and Vale Integrated Medium Term Plan 2015-16

- 33 Given the limited available resources for estates maintenance, the team needs to ensure it manages budgets wisely. We were told the service is starting to introduce the following to improve budget management:
- aligning the Estates and Facilities team budget to the new structure;
 - making area managers accountable for their own budgets;
 - making budget management an objective for area managers; and
 - introducing key performance measures for repair spend.
- 34 The Chartered Institute of Building Services Engineers (CIBSE) recommends that budgets should be zero-based. Rather than applying an increment to the previous years' budget, zero-based budgeting starts from a 'zero base' and the budget is built up based on needs and costs. This approach provides a more sustainable budget, reducing the risk of not meeting essential and statutory maintenance needs.
- 35 The Health Board's estates budget is not zero-based. The current system of budgeting is based on need, but within the available budget. We were told that zero-based budgeting is an ambition but there is the worry that this approach would leave a funding gap.

36 The Health Board told us that in the past, future maintenance costs have not always been considered for new builds, for example the new children's hospital where maintenance costs had to be absorbed. CIBSE advice that newer buildings have less maintenance costs than older buildings is only partially true. Newer buildings should be less prone to breakdowns, but are more complex than older buildings. Therefore, newer buildings are potentially more expensive to maintain in the long term and may need some different skills. The failure to make provision for the maintenance costs of new builds will continue to generate future budget pressures in the long term. However, moving forward, the business case sign-off procedures and improved governance structure should go some way to mitigate oversight of maintenance budget allowance.

There is an imbalance between reactive repairs and planned maintenance, which represents poor value for money

37 Health boards should have a maintenance strategy that balances workload between reactive and planned work. Reactive repairs, that is, unplanned, are generally more expensive than planned maintenance. In the long term, more planned work should lead to less reactive work and to fewer catastrophic faults. However, over maintaining could drain resources unnecessarily and introduce other problems.

38 A good practice estates department should periodically review the levels of reactive and planned work to ensure that there is an efficient balance between the two. Although there is no agreed NHS good practice benchmark, local government maintenance departments generally hold that the split between planned and reactive repairs should be between 70:30 and 60:40 by value.

39 Each year the Health Board undertakes approximately 15,000 planned maintenance tasks and about 40,000 breakdown requests. This shows that there is an imbalance between planned and reactive repair tasks, but is also an indication of the poor state of repair and age of the estate. We were told that the Health Board has ambitions to move towards a 60:40 planned-to-reactive repair split, but the current split is closer to 20:80. At the moment the 'total jobs' KPI is used as an internal benchmark to monitor the balance between planned and reactive repairs.

It is unclear how benchmarking and market testing are being used to plan long-term efficiencies

- 40 To ensure the estates budget provides value for money, health boards should regularly evaluate the economy, efficiency and effectiveness of the service. This is best done in a long-term planned and sustainable way, looking beyond short-term savings. Typical top-slicing of budgets, or arbitrary cost-cutting, can leave organisations exposed and unprepared for the future and can lead to higher overall costs or the displacement of costs elsewhere. A strategic approach also ensures that any changes align with health board and departmental objectives.
- 41 As mentioned above, the Health Board commissioned a benchmarking exercise, which compared the estates maintenance workload to available resources. The exercise helped the service understand spend against similar organisations and productivity levels against the national average. We were told the productivity data has been useful in managing the repairs team performance. For example, docket (repair job) productivity data is displayed in team areas and can be broken down to trade and individual level to address underperformance.
- 42 The Health Board completes the NHS Wales Estates and Facilities Performance Management Systems returns (EFPMS). We were told EFPMS as a benchmarking tool is ineffective because the information on the system is too broad, and it is difficult to compare against similar-sized organisations. Also, on the surface, the Health Board seems to be performing well on spend per square metre but in reality, as demonstrated in [Exhibit 2](#), the Health Board is underspending on estates compared to similar-sized organisations.
- 43 [Exhibit 3](#) is the Health Board's performance on the NHS Wales' estates dashboard. This shows that overall, the Health Board performs poorly against the NHS Wales' requirements, especially in terms of physical condition and functional suitability.

Exhibit 3: performance against NHS Wales' estate dashboard 2012-2015

Assessment criteria	2012-13 score	2013-14 score	2014-15 score	2014-15 RAG rating
Physical condition	85	74	74	Red
Statutory and safety compliance	91	81	85	Amber
Fire safety compliance	95	84	91	Green
Functional suitability	81	56	62	Red
Space utilisation	87	89	89	Amber

RAG ratings: Red up to 75%, Amber 75-89%, Green 90% or above.

Exhibit source: NHS Wales Estate Condition and Performance Report 2014-15

- 44 **Appendix 1** shows the Health Board's historic performance on the NHS Wales' estates dashboard since 2008. This shows the Health Board is below the all-Wales average for all but one of the five measures.
- 45 Across Wales, health board estates departments are under increasing pressure to reduce their budgets while continuing to support the delivery of safe clinical services. Senior estate personnel are therefore increasingly focusing on the need to identify efficiency savings. The Service Board is looking to make savings in a number of ways. Some of these, but not all, are set out in its IMTP and Strategic Capital Plan:
- its Strategic Capital Plan and IMTP set out buildings planned for disposal which will both generate income and reduce operational and maintenance liabilities. As stated earlier, the estates reduction programme is a key priority for the service.
 - the Health Board's accommodation strategy is exploring new ways of working, to reduce the need for so many buildings.
 - improvements are being made to contract management, which in turn should result in efficiency savings. Compliance surveys are contracted out. The team realised that several contractors were doing the same type of survey, for example PAT testing (Portable Appliance Testing). To gain better control of contracts, the number of contractors is being rationalised by tendering packages of work.
 - a ward-based multi-trade handyman who forms part of the clinical team is being trialled. The pilot is being evaluated and costed before being rolled out to other wards.
 - the service has established a single repairs helpdesk which operates from a shared call centre.

The new performance dashboard is a positive development, however, there is no inspection programme for completed repairs

- 46 The main characteristics of a good performance management system are the setting of meaningful performance targets, and the measuring and reporting of performance against them in a consistent way. The Service Board is at the beginning of this process.

- 47 As stated previously, each team prepares a performance report for the monthly Service Board meeting. Currently all teams present performance data in different formats. The Estates and Facilities team has recently developed a performance dashboard, which is shown in [Exhibit 4](#). The dashboard shows a summary of performance against the team's KPI. The dashboard shows a good range of performance scores across hard and soft facilities management functions, people management and financial management. To maintain data quality, updating the maintenance management system (Backtraq) is included as a KPI.
- 48 The dashboard shows the following KPIs and, in most cases, performance is split by north and south area:
- **soft facilities management:** Cleaning 4 Credits Scores, accidents and riddor reports, food hygiene scores, number of porter jobs per day, porter response time;
 - **hard facilities management:** asbestos database access, number of breakdowns completed, number of jobs per ten hours;
 - **people management:** mandatory training, appraisal, sickness, vacancies and turnover;
 - **financial management:** summary budget total adherence, cost of overtime; and
 - **data quality:** Backtraq completion adherence, Backtraq backlog.

Exhibit 4: estates and facilities performance dashboard

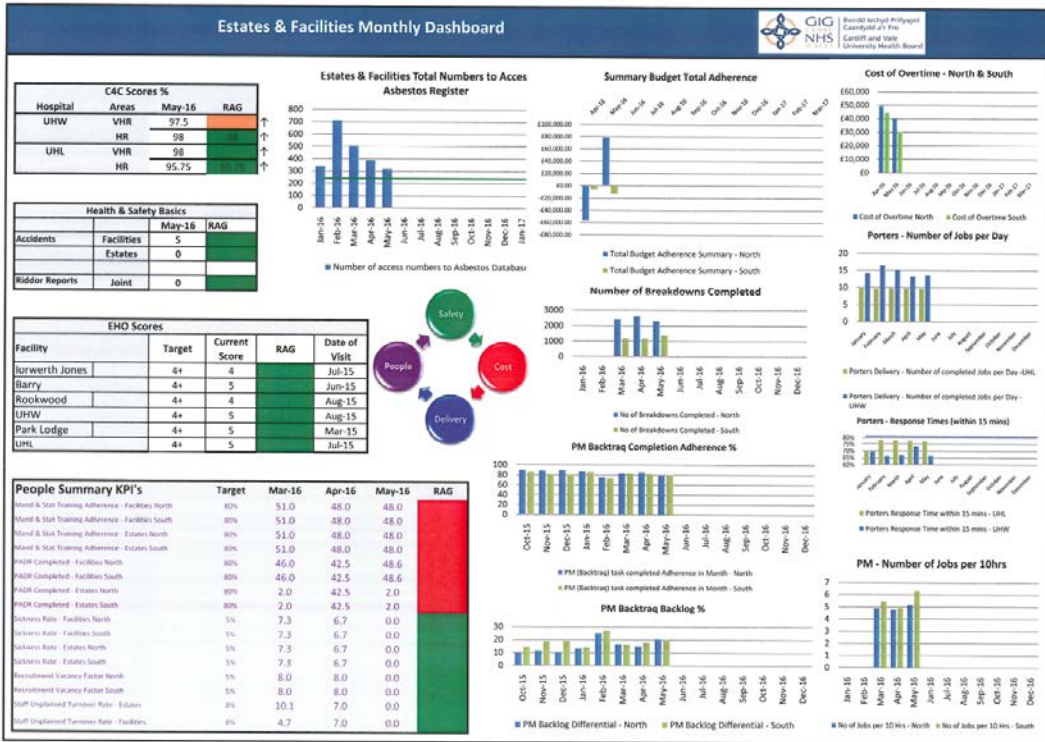


Exhibit source: performance dashboard provided by the Health Board

- 49 The performance dashboard is a positive development for the Service Board. However, for consistency, we would suggest that the dashboard is extended to take into account the other services provided by the Service Board. For example, KPIs for completion of capital works, performance against backlog maintenance, compliance with statutory compliance inspections, commercial income generation and customer satisfaction with estates.
- 50 The Health Board’s Backtraq system records repair and maintenance jobs and generates performance data. We were told that the system is not being used to its full potential, and that the Health Board had the system for a few years before it started to use it. Data quality was poor, but now the service is focusing on improving it by including a Backtraq compliance KPI on the estates and facilities performance dashboard.
- 51 Using the Backtraq to its full potential and ensuring quality data, is key to getting good management information from which to plan services. Our review of the Backtraq IT system shows that it has the potential to generate much more detailed information than it currently does, and [Appendix 2](#) provides some examples.

- 52 There is a central point of contact for repairs requests, which is managed through Backtraq. The Vale of Glamorgan's contact centre (C1V) provides the repairs helpdesk service for the Health Board. There were some concerns raised about the helpdesk, such as:
- requests not including enough detail;
 - repairs inappropriately listed as priority 1 or 2 (urgent or 24 hours) meaning the estates team has to re-categorise; and
 - the helpdesk being too removed from the service.
- 53 These issues, aside from wasting time also risk poor data quality. We would recommend that the estates team run Backtraq refresher training for helpdesk staff and review the questions on their scripts.
- 54 However, we were told that moving forward, Backtraq does not fulfil the service's needs. The preference is for a fully integrated estates system, which not only manages repairs but also manages inspections, is an assets database, manages porters' calls etc. The Health Board is currently investigating alternative systems.
- 55 To ensure repairs are carried out to a high standard, it is good practice to post-inspect a percentage of repairs. The Health Board undertakes a large amount of repairs each year; however, we were told that post inspections are not conducted because there is little capacity within the team. This means the Health Board has no assurance that the repairs undertaken are of a good quality or that repairs are being undertaken as a result of poor previous repairs. We recommend that the service inspects a percentage of all repairs each month.
- 56 An efficient and user-focused estates service will provide services that consistently exceed the expectations of customers and know what customers think of the service. One way to ensure that staff see customer service as essential is to use a code of conduct, service charter or similar. This makes clear what behaviour is expected of staff and provides a way to link together existing policies. The Health Board has a set of values which all staff are expected to work to. The values are reiterated in the Service Board's terms of reference. However, there are no user satisfaction surveys in use, which means the service has no reliable data to gauge what its customers think of it.

Management is taking positive steps to address low staff satisfaction, improve communication and find sustainable solutions to recruit and retain trade staff

- 57 NHS-wide guidance emphasises the need for clearly designated accountabilities and responsibilities for estates management; this is to ensure that staff managing the estate are suitably qualified.

- 58 At the time of this review, the new Service Board and new management team had just recently been established. However, we were told that the management team was taking positive steps to address low staff satisfaction highlighted through the 2015 staff survey, namely through:
- management being more visible;
 - setting up working groups to tackle issues raised through the staff survey;
 - developing a staff newsletter to improve communication with operational staff;
 - developing a newsletter for clinical boards to raise the profile of the service; and
 - including a staff representative on the Service Board.
- 59 We were told that recruitment and retention and an aging workforce are significant issues for the estates team; this is especially true for electrical and mechanical engineers. Uncompetitive pay scales is one of the major factors causing recruitment and retention issues. To address this issue, in June 2016, the service submitted a recruitment and retention payment business case for these trades to the Welsh Government. The business case requests a salary uplift of £2,600 per year for a period of five years because of difficulties in recruiting and retaining staff in these trades. The paper states that there are 41 electrical and mechanical engineer posts, of which four are vacant. The vacancies have been out to advert four times within the last two years. But recruiting to these trades has been an issue for a lot longer, meaning: extra pressure on the current workforce to provide an essential service, pressures on overtime, contractor budgets, and low staff morale.
- 60 The Health Board also has an apprenticeship programme for these trades, which is in its third year. However, we were told it is difficult to retain staff after they qualify because once qualified, apprentices can get better-paid positions outside of the Health Board. Other workforce issues include poor-quality applicants for vacant positions and pending retirement of staff within next two years.
- 61 Long term, the Health Board recognises that its banding structure, skill mix and career progression will need to be looked at because even with a £2,600 uplift, pay is still not competitive in comparison to other public and private sector organisations. Work has started on mapping different team structures but it is early days.
- 62 Ensuring all staff have an annual Personal Appraisal and Development Review (PADR) is a priority for the service. We were told that at the time of this review, only half of the estates staff had an annual PADR. To tackle this issue, 'percentage of staff with a PADR' is one of the KPIs that forms part of the estates and facilities performance dashboard.

Appendix 1

NHS Wales' estates dashboard performance

The following charts are based on annual estates data returns submitted by health bodies in Wales to the Estates and Facilities Performance Management System (EFPMS). This system was introduced by the Welsh Government in 2002 and is managed by NHS Wales Shared Services Partnership – Facilities Services.

The EFPMS information focuses on the condition and performance of the health estate.

The charts cover the seven-year period, 2008-09 to 2014-15, and cover five of the six national performance indicators. The sixth, energy performance, is not included because it was outside the scope of our work.

Each chart shows the:

- performance for Cardiff and Vale University Health Board;
- all-Wales average; and
- Welsh Government target, where applicable.

More information on EFPMS can be found at [NHS Wales Shared Services Partnership – Facilities Services](#).

Exhibit 5: performance against NHS Wales target for physical condition of estate, 2008-2015

Graph showing that the Health Board has failed to meet the target for physical condition between 2008 and 2015, and in 2013-14 fell below the all-Wales average.

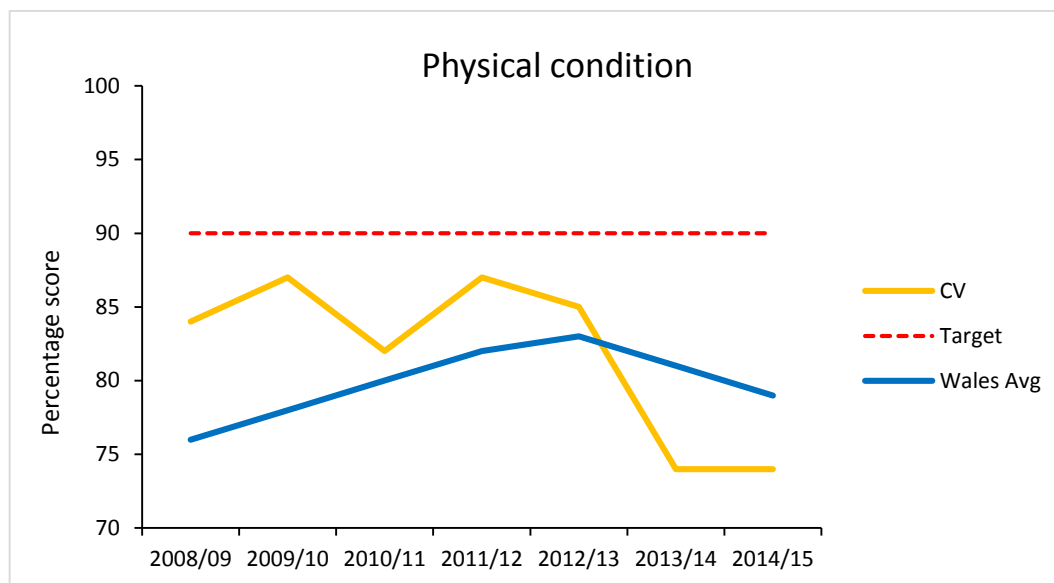


Exhibit source: NHS Wales, Estates and Facilities Performance Management System

Exhibit 6: performance against NHS Wales target for statutory and safety compliance, 2008-2015

Graph showing that between 2008 and 2015 the Health Board consistently failed to meet the target for statutory and safety compliance, except for a short period in 2012-13. After falling below the all-Wales average, performance started to recover in 2014-15.

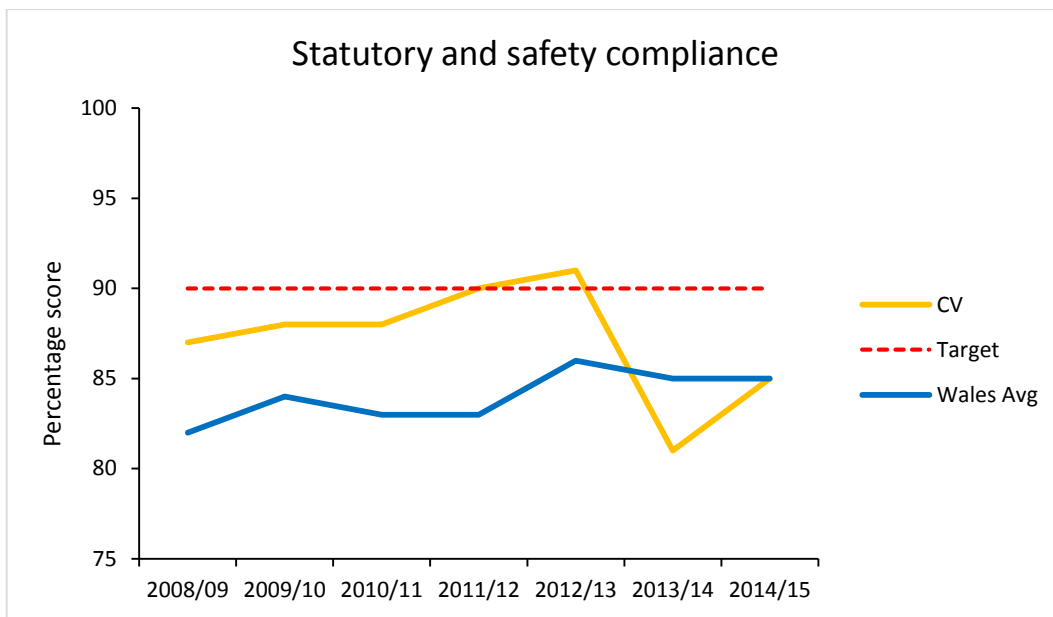


Exhibit source: NHS Wales, Estates and Facilities Performance Management System

Exhibit 7: performance against NHS Wales target for fire safety compliance, 2008-2015

Graph showing that between 2008-09 and 2012-13 the Health Board met the target for fire safety compliance. However, in 2013-14 performance dropped to below the all-Wales average but has since recovered to just outperform the average.

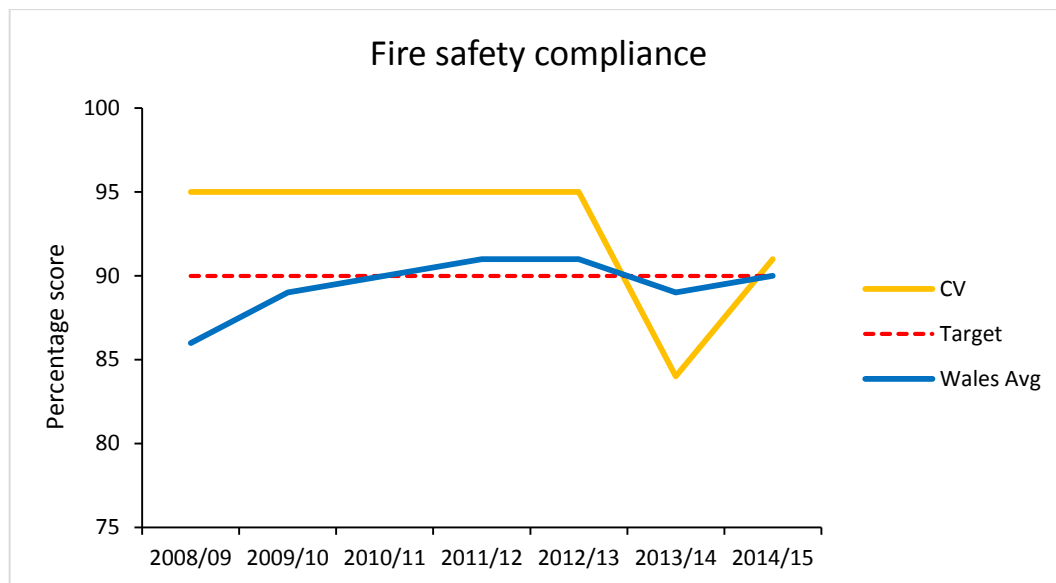


Exhibit source: NHS Wales, Estates and Facilities Performance Management System

Exhibit 8: performance against NHS Wales target for functional suitability of estate, 2008-2015

Graph showing that the Health Board has failed to meet the target for functional suitability between 2008 and 2015, and in 2011-12 fell below the all-Wales average.

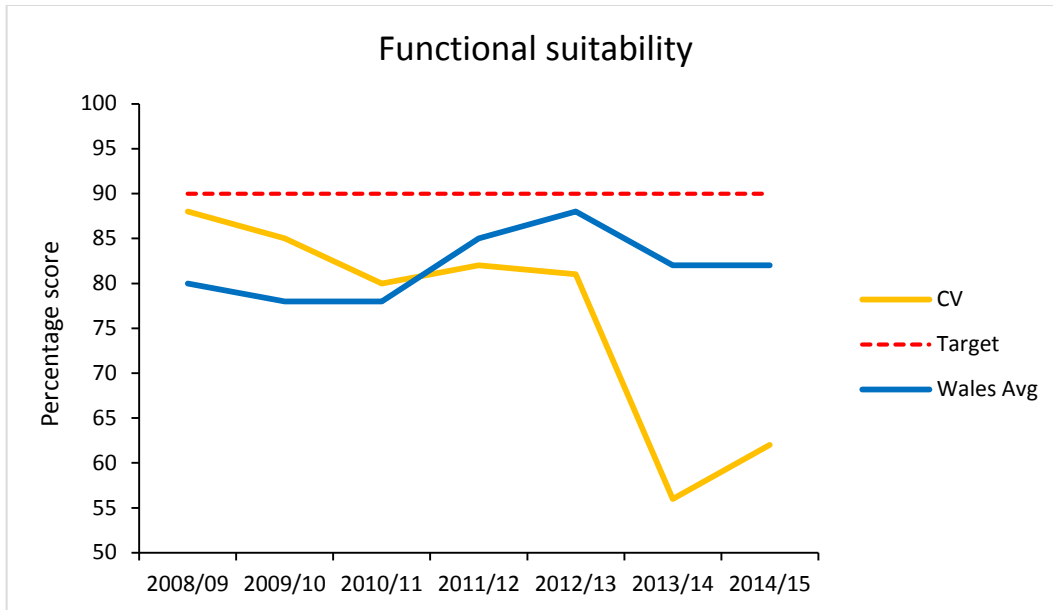


Exhibit source: NHS Wales, Estates and Facilities Performance Management System

Exhibit 9: performance against NHS Wales target for space utilisation of estate, 2008-2015

Graph showing that between 2008 and 2015, the Health Board's performance for space utilisation fluctuated, the target was last met in 2011-12 and has since been below target and the all-Wales average.

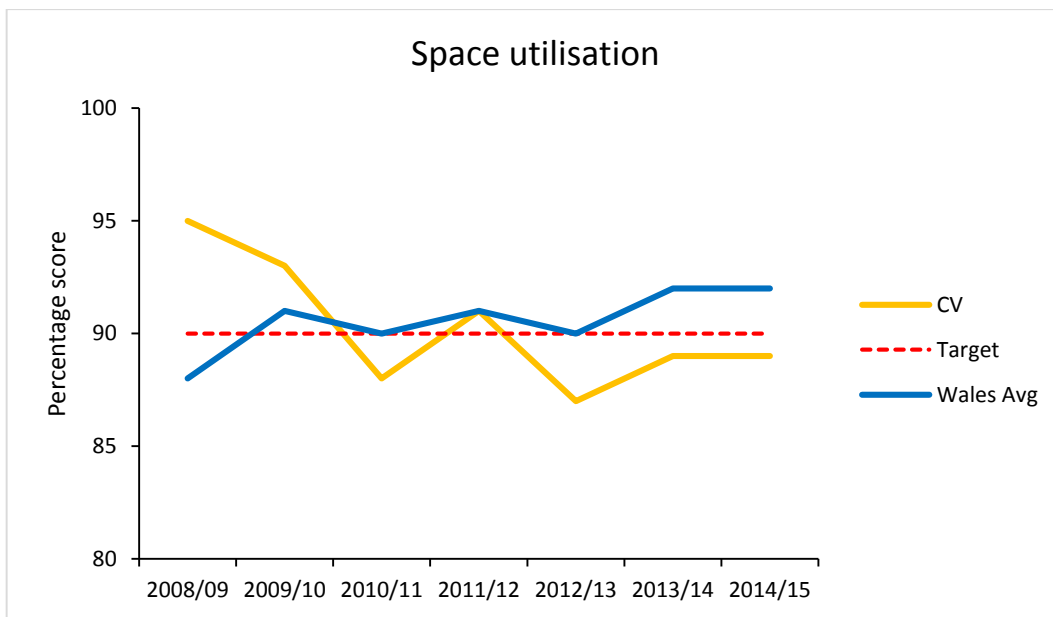


Exhibit source: NHS Wales, Estates and Facilities Performance Management System

Appendix 2

Estates IT system – illustrative analyses

This section contains a series of analyses based on sample data downloaded from the department's Backtraq IT system. The sample was for University Hospital Wales for the period 2015-16.

These indicators are based on work carried out by the Audit Commission on property maintenance, and show typical ways to analyse data to provide meaningful management information about the repairs service.

Exhibit 10: number of repairs completed in 2015-16, split by trade

Graph showing that during 2015-16, mechanical and electrical engineers, carpenters and maintenance assistants undertook the majority of repairs.

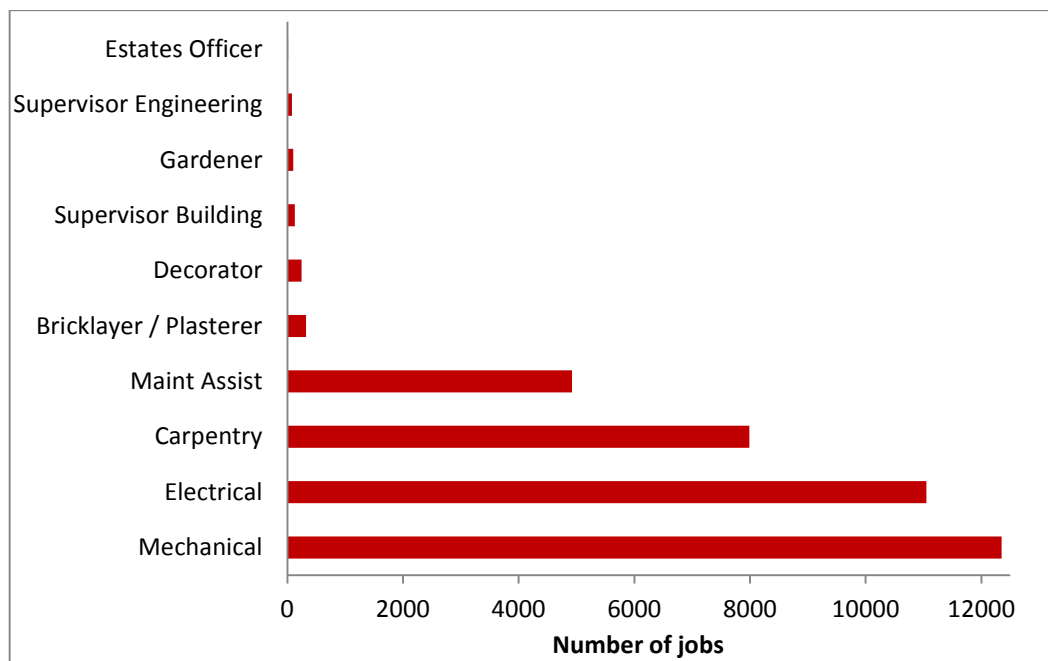


Exhibit source: 2015-16 data from the Health Board's Backtraq IT system and Wales Audit Office analysis

Exhibit 11: top 20 reactive repair jobs in 2015-16, split by type of repair

Graph showing the top 20 defect jobs leading to a reactive repair during 2015-16.

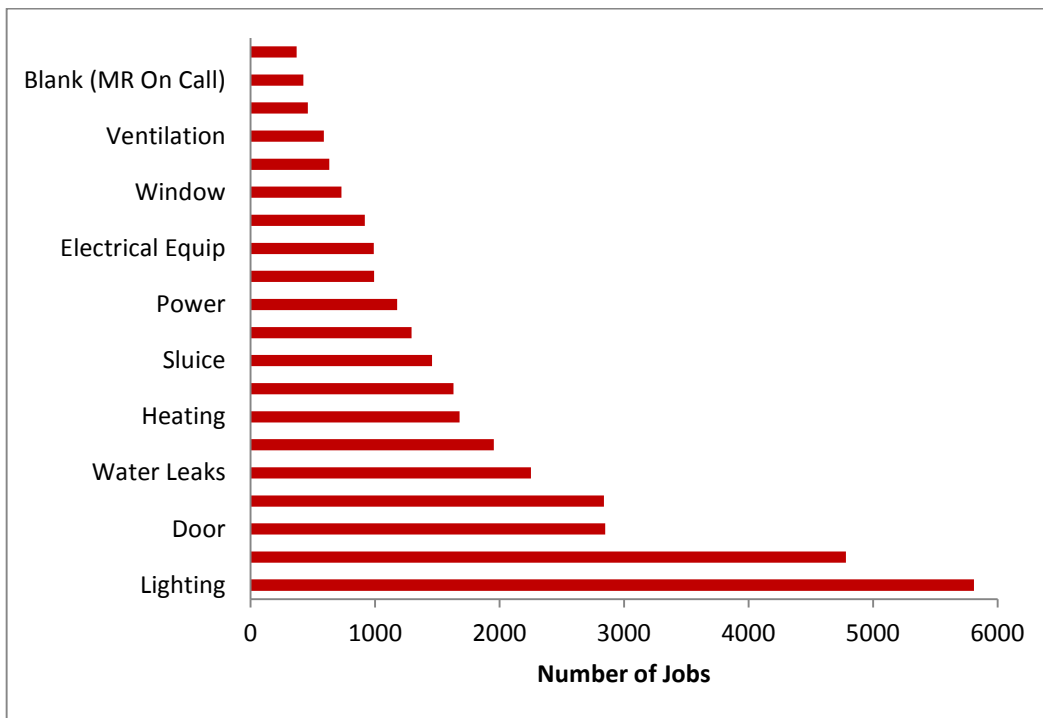


Exhibit source: 2015-16 data from the Health Board's Backtraq IT system and Wales Audit Office analysis

Exhibit 12: cost of top 20 reactive repairs completed in 2015-16, split by type of repair

Graph showing the cost of the top 20 reactive repair jobs in 2015-16.

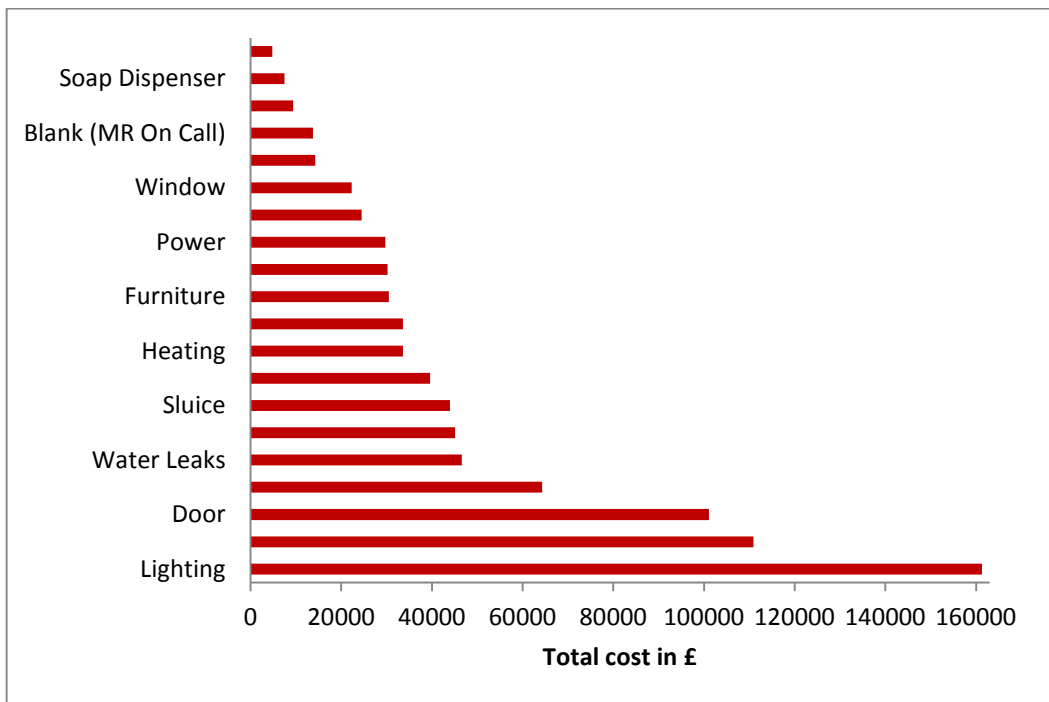


Exhibit source: 2015-16 data from the Health Board's Backtraq IT system and Wales Audit Office analysis

Exhibit 13: number of planned and reactive repairs by location

Graph showing the number of planned and reactive repairs for a sample of locations at UHW.

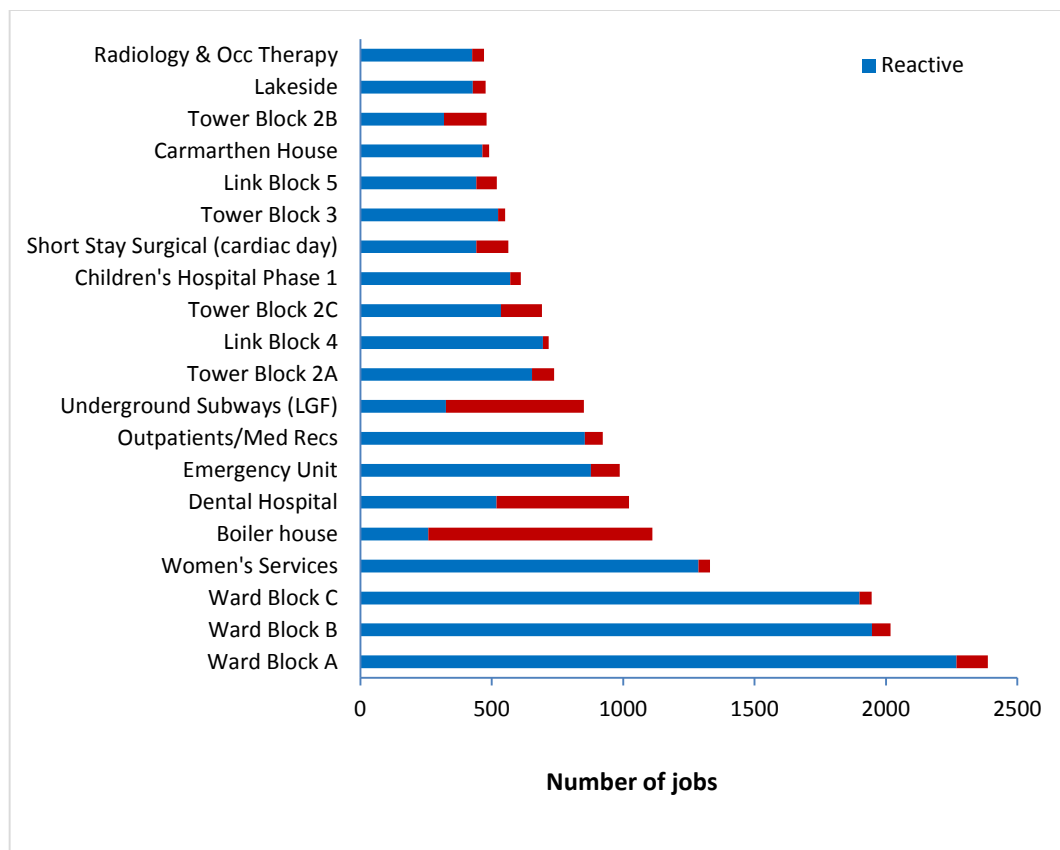


Exhibit source: 2015-16 data from the Health Board's Backtraq IT system and Wales Audit Office analysis

For illustrative purposes, the exhibit shows a sample range of locations from UHW.

Exhibit 14: cost of planned and reactive repairs by location

Graph showing the cost of planned and reactive repairs for a sample of locations at UHW.

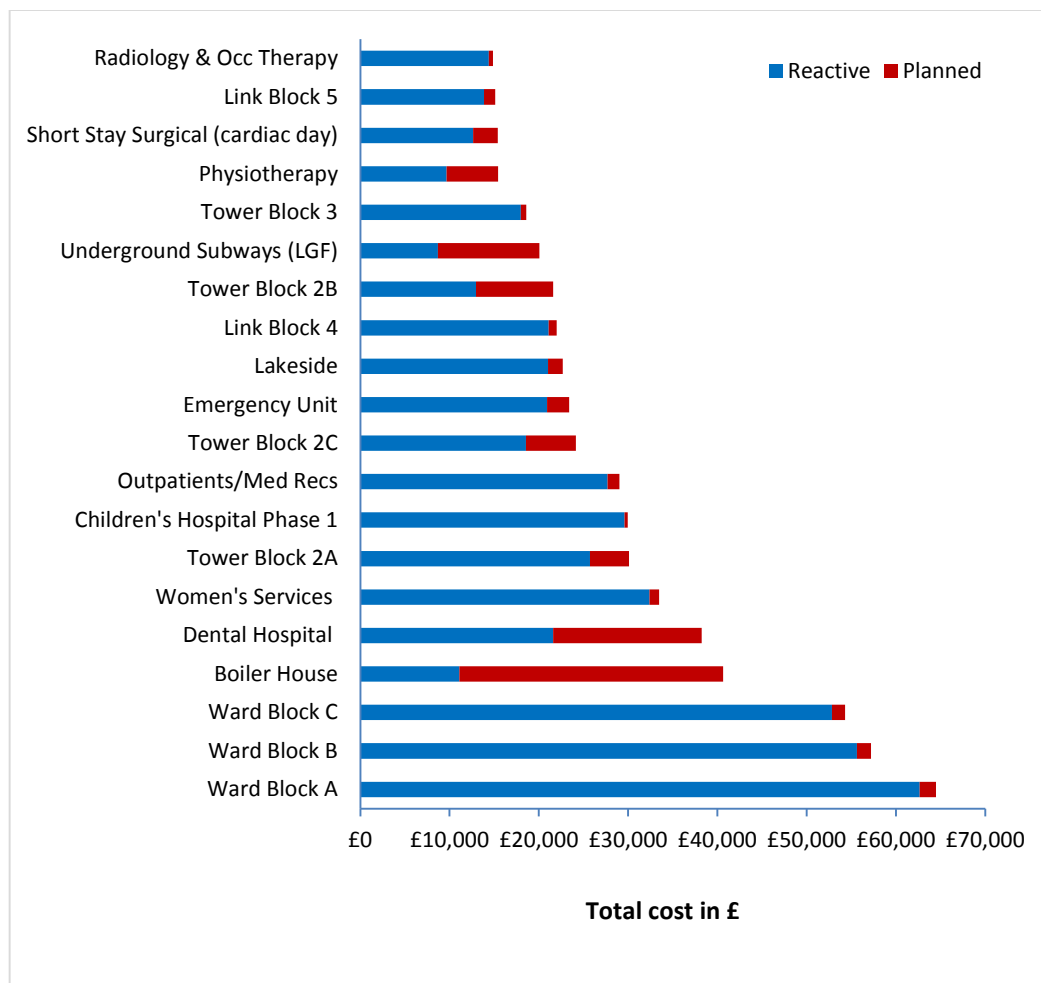


Exhibit source: 2015-16 data from the Health Board's Backtraq IT system and Wales Audit Office analysis

For illustrative purposes, the exhibit shows a sample range of locations from UHW.

Appendix 3

Management response

The table below shows the Health Board's response to our recommendations.

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R1	To ensure the estates service is represented at Board level, prioritise recruiting an independent Board Member for estates.	Representation for the estates service at Board level.	Yes	Yes	Exec Director to progress recruitment of independent board member.	TBD	AH
R2	Create a central log of estates related issues and actions resulting from Clinical Board meetings.	Better tracking and management of estates issues raised at Clinical Boards.	No	No	Backtraq already provides a UHB wide tool for collating estates issues and actions required and prioritises them into a single central database. This then is	N/A	N/A

Ref	Recommendation	Intended outcome/ benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
					the tool that the team use and ensure priority and response times are maximised. This will improve under our Modernisation Programme.		
R3	Develop a fully-costed Estates Management Strategy.	Improved strategic planning and management of the estates service.	Yes	Yes	'Estates Strategy Day' already booked into diaries for April 2017. Action to develop a strategy document that incorporates milestones and targets. Costs applied where applicable. Strategy to be agreed at Service Board Meeting.	August 2017	LW

Ref	Recommendation	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R4	Develop a zero-based estates budget that makes provision for likely revenue costs arising from changes to the Health Board estate, such as new buildings.	Sustainable budget management for estates.	No	Yes	Estates dept. is currently driving large scale changes of improvement and the team need to achieve short and medium term aims to then identify what bottom up costs are needed. Timing and mature data need to be identified as a priority first. Strategy however will cover this need with the Estates Strategy Improvement Plan.	2018-19 Budget Review March 2018	GW/LW/FB/NM
R5	Introduce a system to inspect a percentage of repairs each month.	Improved quality of repairs and maintenance jobs and in turn value for money.	Yes	Yes	Currently undertaking a full Estates Modernisation programme. This covers lots of the observations made in the report. Supervisor audit will be included in their new job profiles when they get modernised to ensure we and the	Dec 2017	LW

Ref	Recommendation	Intended outcome/ benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
					department are 'Fit for the Future'.		
R6	<p>Strengthen performance management by:</p> <ul style="list-style-type: none"> extending the new performance dashboard to include KPIs for the other services covered by the Service Board, and making greater use of the data captured through the Backtraq repairs maintenance system. 	Better understanding of estates service performance and use of available intelligence to identify and strengthen service weakness.	Yes	Yes	KPI is evolving to match focus both short and long term. Commercial also now have dedicated and thorough KPI packs. Compliance are currently reviewing software to manage KPI's effectively. These will be reviewed with these comments in mind and adjusted accordingly.	April 2017	LW/PC/TW

Ref	Recommendation	Intended outcome/ benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
R7	<p>To ensure repairs are correctly prioritised:</p> <ul style="list-style-type: none"> • run Backtraq refresher training for help desk staff; and • review questions on call handlers scripts. 	Improved use of resources for repairs.	No	Yes	Under our modernisation programme we envisage a review and change of our estates software systems. All staff will therefore get full training to ensure optimum use is obtained for efficiency and improvements. Helpdesk review is part of this system review and teams will consider its effectiveness.	Dec 2017	JN/LW

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