

# Tom Steele

NHS Forth Valley

Design Skills Symposium 2011, Tollbooth, Stirling

“Delivering Better Places”

# Making the Most of Property & Assets

Developing a Property & Asset Management Strategy (PAMS) for publicly supported bodies in Forth Valley

**Tom Steele**  
**Director of Strategic Projects & Property,**  
**NHS Forth Valley**

## Current Context

- The Christie Commission highlights the opportunity presented by asset management and supports a more strategic and joined up approach amongst public sector bodies: *“We recommend all relevant public bodies must participate in the preparation of a joint long-term asset management plan under the aegis of each local community planning partnership, based on a shared assessment of the current conditions of their assets”*.
- Scottish Futures Trust, *Improving asset management Across the Scottish Public Sector*.
- John Swinney, Spending Review announcement, 21<sup>st</sup> September.

# The Challenge to be addressed

- Too many buildings, often located in the wrong places, unsuitable for delivering today's customer focused services and modern working practices, occupied by individual organisations/services rather than local partnerships, and wasting scarce financial and environmental resources.

# FORTH VALLEY



# FORTH VALLEY



# The Publicly Supported Bodies in Forth Valley

NHS Forth Valley

Stirling Council

Clackmannanshire Council

Falkirk Council

Central Scotland Police

Forth Valley College

Central Scotland Fire & Rescue Service

University of Stirling

Scottish Ambulance Service

# Forth Valley Publicly Supported Bodies Property Portfolio



Building Area	Replacement Value	Disposal Value	Current backlog maintenance expenditure requirement	Annual Costs	
				Occupancy – rate, rents, energy, maintenance, cleaning etc	Lifecycle replacement of building components & engineering systems
1.1 million sq.m	£4 billion	£1 billion	£100 million	£55 million per annum	£55 million per annum

## Why are we doing this?

- Mandatory requirement
- One of the SG new policy aims is “*To support and facilitate joint asset planning and management with other public sector organisations*”
- A recent Health Facilities Scotland literature review identified circa 30 different reviews/studies

## Why are we doing this?

- Provides a stable base from which strategic asset investment decisions can be made (Hub) – How can these investment decisions be made without having a PAMS?
- Efficient management of the publicly supported sector's asset base is critical to the delivery and performance of public services - facilitating change and performance improvement as well as enhancing service users' experience.

## Aim of the Forth Valley PAMS

- The overall aim of this initiative is to ensure that all of these bodies invest their public funding in relation to property and assets in ways that supports the Scottish Government's national priorities and vision for a Scotland that is Wealthier and Fairer; Smarter; Healthier; Safer and Stronger, and Greener.

# The PAMS Process

- **Where are we now?**
- **Where do we want to be?**
- **How do we get there?**
  - Who is responsible for delivering it?
  - How will we know we have achieved what we set out to do?
  - Implementing the Performance Monitoring Methodology in the new Guidance

# The Past Strategy

- Past Strategy has been “*Replace old with new*”
- Despite relatively healthy capital programmes over recent decades – much of the “old” remains & backlog maintenance continues to grow
- Economic climate for next decade certainly makes such a strategy highly unaffordable in terms of both capital and revenue

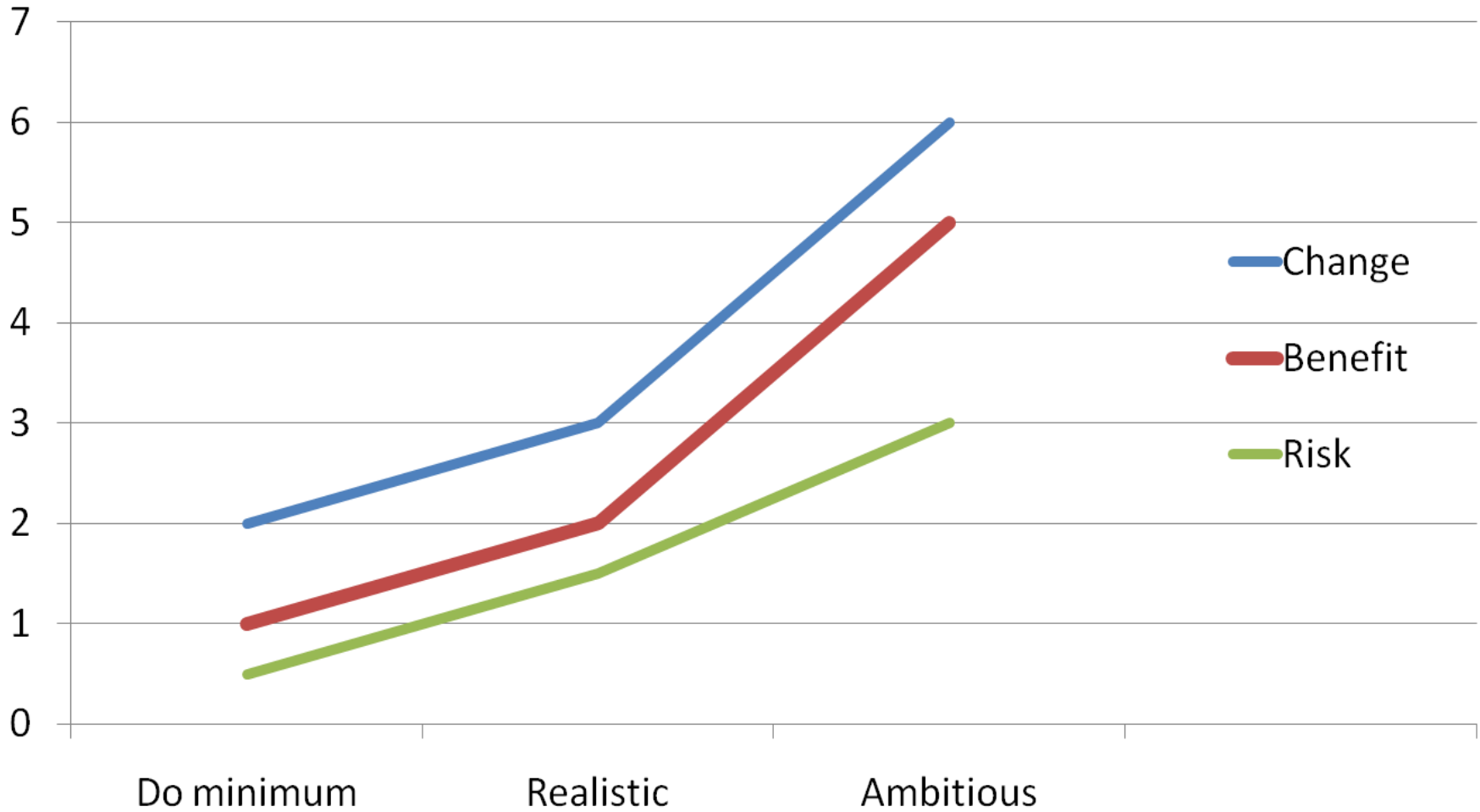
# The Future Strategy

- Makes better use of the existing property portfolio rather than spending capital on new buildings and rationalises the existing estate, using the best buildings which are customer centred, good quality, efficient and sustainable
- Facilitates and enables joined-up partnership working which in turn will further drive down the size of the overall estate and release revenue and achieve carbon savings

## Opportunities for improvement

- Improved utilisation of existing space within individual organisations through elimination of under used and surplus accommodation
- Shared use of space/buildings across the publicly supported bodies
- Development of “New Ways of Working”
- Support & back office services integrated across the publicly supported bodies

# A Continuum of Change



# Option Appraisal

- A detailed appraisal of three points on the continuum of change (three options)
  - Do minimum
  - Reference Project
  - More ambitious project

*Note: These are not three conventional options - they are points on the continuum of change that we have selected for examination.*

# But...its not easy!

Property Groupings	Property Types	Reduction in Space		
		Option 1 Do Minimum	Option 2 Reference Project	Option 3 More Ambitious Project
		10%	15%	25%
PPP/PFI Properties	Hospitals	0%	0%	0%
	Health Centres			
	Offices			
Building dependent & regionally dependent properties	Non-PPP/PFI Hospitals	25%	40%	65%
	Residential Homes & Day Centres	25%	40%	60%
Regionally dependent but not building dependent	Non PPP/PFI Health Centres & Clinics	25%	40%	60%
	Staff Residential	100%	100%	100%
Building & regionally independent	Industrial / Stores	25%	45%	60%
	Offices / Administration	22%	30%	60%

# Next Steps

- Technical and feasibility studies
- Draw on best practice examples from within Forth Valley
- Systematic review of settlements including stakeholder and public engagement taking account of demographic need and travel planning
- Outline implementation plan for the preferred way forward
- Performance Monitoring Plan to enable progress against the implementation plan to be measured in terms of performance and impact.

# Summary

- A catalyst and enabler for service integration and improvement
- Must be inherently flexible – to allow opportunistic projects to be undertaken
- Best practice asset management – leading to informed investment decision making
- Given the Spending Review implications for capital and revenue – do nothing is not an option
- Never been a better time for doing this – hopefully strategic asset management will always be done this way in the future