

BOARD OF DIRECTORS

Agenda Item	12	Date of Meeting: 31/03/2022
Report Title	Estate Strategic Plan (Build for the Future) 2021-2026	
Executive Lead	Russ Favager, Deputy Chief Executive and Director of Finance	
Lead Officer	Craig Reid, Head of Estates	
Action Required	To approve	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)
<ul style="list-style-type: none"> The Mid Cheshire Estate Strategic Plan was completed and signed off by the Trust Board in July 2021, this will be reviewed again in July 2022. Expression of Interest (EOI) for the future new hospitals programme and Strategic Online Business Case (SOC) were submitted to NHSE&I for £660m in September 2021 to redevelop the Leighton site. The CCICP Estate Strategic Plan project has commenced and will completed by Q2 2022/23 The successful delivery of the £22m RAAC risk mitigation works programme in 2021/22, plus the £3m maintenance backlog capital projects will reduce the Leighton backlog for 2022/23 from £230.5m to £205m (excluding fees, contingencies, decant costs and VAT).

Next Steps (actions to be taken following agreement of recommendation/s)
<ul style="list-style-type: none"> Progress the CCICP Estate Strategic Plan Review in line with the agreed project plan which will be incorporated into the overall Estates Plan. Progress the VIN Site Masterplan. Continue to reduce the value of the Trusts high risk maintenance backlog and implementation RAAC risk mitigation works programme.

Strategic Objective(s) <i>(indication of which objective/s the report aligns to)</i>			
<ul style="list-style-type: none">• Provide safest and best care ✓• Become a leading and sustainable health care system ✓		<ul style="list-style-type: none">• Be the best place to work ✓• Push boundaries in clinical, technology and digital innovation ✓	
Impact <i>(is there an impact arising from the report on the following?)</i>			
<ul style="list-style-type: none">• Quality ✓• Finance ✓• Workforce ✓		<ul style="list-style-type: none">• Compliance <input type="checkbox"/>• Legal <input type="checkbox"/>	

<ul style="list-style-type: none"> Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> Risk/BAF BAF11 Estate, infrastructure and equipment
Equality Impact Assessment <i>(must accompany the following submissions)</i>	
Strategy <input type="checkbox"/>	Policy <input type="checkbox"/>
Service Change <input type="checkbox"/>	N/A

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
Executive Safe and Sustainable Environment Group	02 November 2021	Estate Strategic Plan	Craig Reid	1 st Report
Executive Safe and Sustainable Environment Group	14 February 2022	Estate Strategic Plan	Craig Reid	Revised format



Mid Cheshire Hospitals
NHS Foundation Trust



Estate Strategic Plan

Build for the Future

2021-26

Because you tter

Foreword

The Estate Strategic Plan is a five-year plan for all the Mid Cheshire NHS Foundation Trust's sites. The Plan delivers fit and suitable facilities for the clinical teams to deliver excellent care to the surrounding community. This document provides clear guidance to the Trust with regards to how the Plan will be delivered over the next five years.

Several key estate risks in the Trust's infrastructure currently exist including the use of Reinforced Aerated Autoclaved Concrete (RAAC) planks used in the construction of most of Leighton Hospital and asbestos and fire compartmentation. These will need to be addressed in the short, medium and long term. The Trust places the utmost importance on the safety of its patients, staff and health services and estates infrastructure and, therefore, these risks form the core of the Estate Strategic Plan.

The urgency of these estate risks has driven the need for the Trust Strategy and Estate Strategic Plan to be developed in tandem rather than sequentially. This Plan has been produced to guide future investment decisions, drawing attention to the issues, priorities, and proposed estate options.

As we move forward with implementing the Trust Strategy, this Estate Strategic Plan may need to be reviewed in light of any emerging developments. While the Plan covers a period of five years, annual capital plans will be prepared and Key Performance Indicator (KPI) monitoring will take place on a regular basis to ensure that the estate continues to enable safe delivery of care whilst also supporting changes in demand and models of care and reflecting digital, clinical, sustainability and workforce strategic plans as they evolve.

Introduction

This Estate Strategic Plan (*Build for the Future*) 2021-2026 sets out how Mid Cheshire Hospitals NHS Foundation Trust (hereafter referred to as 'MCHFT' or 'the Trust') intends to position its estate and infrastructure as a key enabler in the delivery of clinical services that are safe, secure, and appropriately located. This document is one of four plans that work in partnership to support delivery of the Trust Strategy.

This Estate Strategic Plan describes the current condition of the estate and highlights how the existing supply of capital assets meets current service needs and those of the community. This document is aligned with the Cheshire and Merseyside Integrated Care System (ICS) Strategy for 2021-2026 for '*Improving Health and Wellbeing in Cheshire and Merseyside*', and sets out how the Trust's property asset base could change through investment, acquisition, or disposal to meet future needs.

This Estate Strategic Plan is an enabler for the Trust Strategy and aligns and supports associated strategic commitments and plans.

Vision, aims and strategic themes

This Estate Strategic Plan is MCHFT's commitment to an efficient, well-utilised estate that offers an excellent and safe environment for patients, staff, carers, and visitors. The estate must be sustainable both in environmental and financial terms and MCHFT needs to ensure that any strategic investment deployed is central to the Trust's strategic objectives. The estate should support local clinical models to maximise patient safety and efficient staffing, while aligning to wider proposals at both a national and regional level. With the formation of Cheshire and Merseyside Integrated Care Partnerships (ICP) and Cheshire East and West Place Partnerships, the Strategic Plan will also need to consider how services are currently resourced, to best understand the demands on the estate in the forthcoming years.

Priorities and key targets

- A cost-effective high-quality estate which is safe, sustainable, efficient, and fit for purpose delivering patient-centred services in the right place at the right time.
- An estate that better meets the current and future needs of the population we serve, to enable service transformation and whole system thinking
- Demonstrable improvements in quality and patient experience from improved environment linked to the delivery of the Trust's quality priorities

Current position

Expression of Interest (EOI)

An EOI was submitted to NHSE&I in September 2021 regarding the future new hospitals programme, outlining the requirement for Capital Investment (total gross value £660m inclusive of VAT) to redevelop the Leighton Site. This investment will enable the Trust to eradicate the High-Risk backlog and RAAC plank risks at its Leighton site, which are currently included within the Trust Estates Return Information Collection (ERIC) submission totalling £230.5m (exclusive of fees, contingencies, decant costs and VAT).

Critical Infrastructure Review (CIR)

A Critical Infrastructure Review (CIR) undertaken in 2020 by Engineering Consultants NIFES, identified the potential infrastructure risks that could have a significant adverse impact on the delivery of clinical services, staff, and patient safety. This provided initial budget cost estimates for the capital investment needed to mitigate or eliminate the risks. These costings were complemented by the figures identified within the more recent Six Facet Estate Survey.

The following list details the identified critical infrastructure issues of either ‘*Extreme*’ or ‘*High-Risk*’:

- Reinforced Aerated Autoclaved Concrete (RAAC) Plank Construction (specific to the Leighton Hospital site)
- Various single points of failure/resilience issues (MEP)
- Fire Safety – Compartmentalisation, Dampers, Alarms, Emergency Lighting etc.
- Presence of Asbestos in Trust buildings
- Obsolete Building Energy Management System.

Six Facet Estate Surveys

Six Facet Estate Surveys were carried out in late 2020 on the Trust’s freehold sites, Leighton Hospital and Victoria Infirmary (VIN). Six Facet Estate Surveys consider the physical condition of the estate (including the fabric of the buildings, fixtures and fittings and the electrical and mechanical installations), space utilisation, functional suitability, quality, statutory compliance, and environmental management.

The Estate was rated in accordance with the Department of Health and Social Care’s guidance whereby all buildings are assessed on a scale of A-D; where Condition A is the highest rating ‘as new and can be expected to perform adequately over its full normal life’ and D is the lowest rating ‘operationally unsound and in imminent danger of breakdown’.

TABLE 1 - DEPARTMENT OF HEALTH AND SOCIAL CARE ESTATE CODE RATINGS

Ranking	Description
A	As new and can be expected to perform adequately over its full normal life
B	Sound, operationally safe and exhibits only minor deterioration
B/C	Currently as B but will fall into Condition C within five years.
C	Operational, but major repair or replacement is currently needed to bring up to condition B
D	Operationally unsound and imminent danger of breakdown

Following this categorisation, each element/sub-element was given a risk ranking of *Low*, *Moderate*, *Significant* or *High*, based on NHS Estate code and the Trust’s 5x5 Risk Categorisation Matrix.

The tables overleaf summarise the Backlog Maintenance costs, which were those identified as necessary to restore the estate to Condition B, together with the overall risk ratings for the Physical Condition and Statutory Compliance surveys at each site.

TABLE 2 - LEIGHTON HOSPITAL BACKLOG MAINTENANCE (PHYSICAL CONDITION / STATUTORY COMPLIANCE)

Overall Risk Rank (Backlog)	Total Backlog Cost (net)	Backlog Risk Totals (net)			
		Low	Moderate	Significant	High
High	£230,477,594	£4,751,945	£191,743,943	£27,004,183	£6,977,523

TABLE 3 - VICTORIA INFIRMARY BACKLOG MAINTENANCE (PHYSICAL CONDITION / STATUTORY COMPLIANCE)

Overall Risk Rank (Backlog)	Total Backlog Cost (net)	Backlog Risk Totals (net)			
		Low	Moderate	Significant	High
Moderate	£2,819,430	£398,127	£97,402	£2,310,847	£13,054

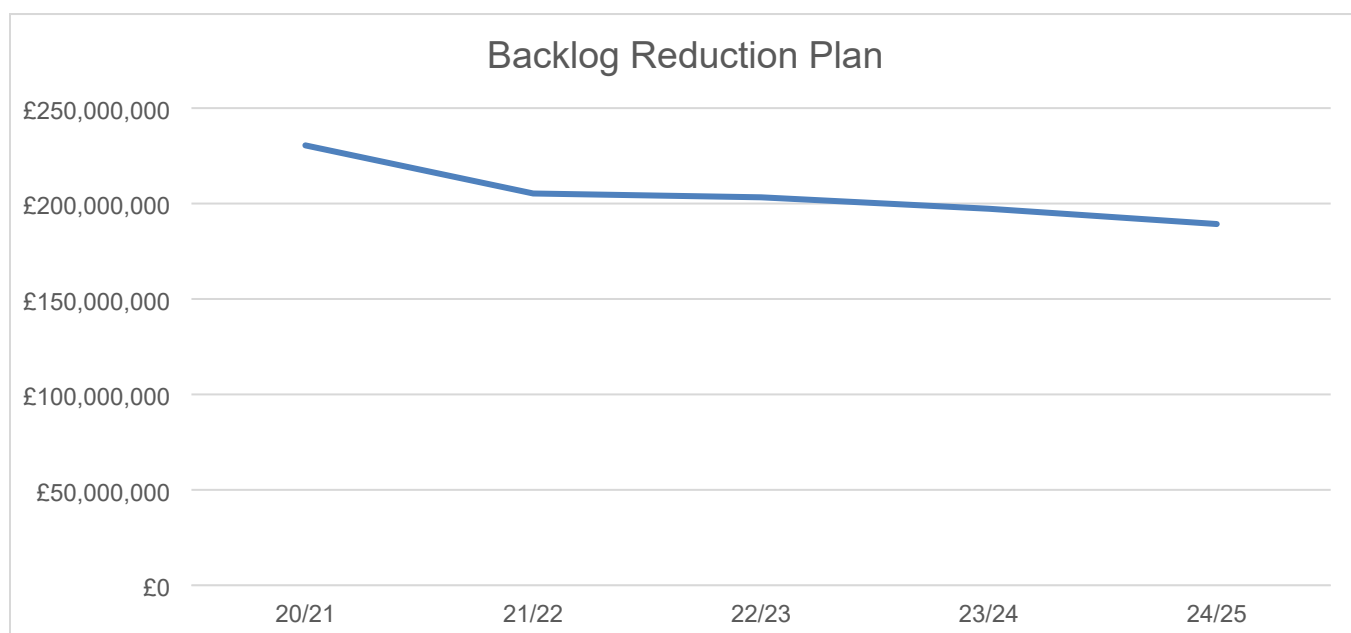
The Total Backlog Cost (net) for Leighton Hospital and VIN is £233.3m (£230.5m for Leighton Hospital and £2.8m for VIN). The Backlog Maintenance figures, as recorded in the ERIC data for 2020-21, do not include VAT, fees, contingency sums, or associated costs relating to any necessary decant of patients or staff, and potential site access/enabling works.

This means that in practice the capital investment required to eradicate Backlog Maintenance is circa. 50-100% greater than that recorded in the ERIC statistics.

The graph below shows the projected reduction of the overall maintenance backlog for the Trust over the next 3 years. This considers the full decant of wards 1, 9, 10, 18 and 19 which require significant capital investment to be returned to condition B status. The £22m of emergency RAAC funding along with £3m of Capital funding will reduce the Leighton backlog for 2022/23 from £230m to £205m.

Additional funding has been allocated for RAAC mitigation works in 2022/23 of £20.1m and will allow decanting of Wards 1 and 9, however this will not reduce the Trusts backlog figure. 2022/23 Backlog figure will therefore be reduced by £2m. Following the successful Decant and the subsequent refurbishment of Ward 1 and 9, it is estimated the Backlog figure will reduce by £6m in 23/24. In 2024/25 the remaining wards 10, 18 and 19 will be decanted and refurbished at an estimated Backlog reduction of £8m (£2m per Ward).

GRAPH 1 – ESTIMATED BACKLOG REDUCTION



Backlog reduction from 2021/22 to 2022/23 will be **7%**. The KPI aims for a 30% reduction.

Safety Critical Backlog

Leighton Hospital Reinforced Autoclaved Aerated Concrete (RAAC) Planks

A significant proportion of the Backlog Maintenance costs are due to the use of RAAC planks in the construction of Leighton Hospital's walls and roofs which cover circa 32,804 sqm of the footprint of the Hospital. In May 2019, NHS England issued a **Standing Committee on Structural Safety (SCOSS)** alert regarding a critical safety issue to all affected Trusts following the failure of a roof constructed with RAAC planks and has since required Trusts to develop suitable investment plans to mitigate the safety risks in both the short and longer terms, with the requirement to eradicate all RAAC planks from the NHS estate by 2030.

The presence of these RAAC planks throughout a significant proportion of the buildings at Leighton Hospital provides the urgency for investment in a new Hospital estate. The Trust has investigated several different solutions to the requirement to remove RAAC planks from its Leighton Hospital site by 2035, most recently during the development of a Strategic Outline Case (SOC) for the redevelopment of the site.



The use of the RAAC construction material throughout a significant proportion of the Hospital poses a risk that the building could experience structural failure with very little warning. Other Hospitals constructed using this material experienced several warning events in 2021, in some cases necessitating the closure of clinical facilities to install temporary propping, with consequent disruption to healthcare delivery.

The findings of this work demonstrated that incremental RAAC replacement works, whereby the building is stripped back to remove the RAAC planks and rebuilt with the minimum upgrades to ensure compliance with current Health Building Notes (HBN), Health Technical Memoranda (HTM), building regulation and fire code standards, will take longer and would cost as much as a new hospital build. Furthermore, this investment would not deliver any further benefits to patient and staff experience and patient outcomes thereby failing, in the Trust's view, the value for money argument in spending public money to ensure the future sustainability of acute NHS services in South Cheshire.

Additional funding from NHS E & I has been made available to mitigate the RAAC risk in 2021/22. Further projections for future years have also been realised.

Phase 1 - 2021-22: £22m

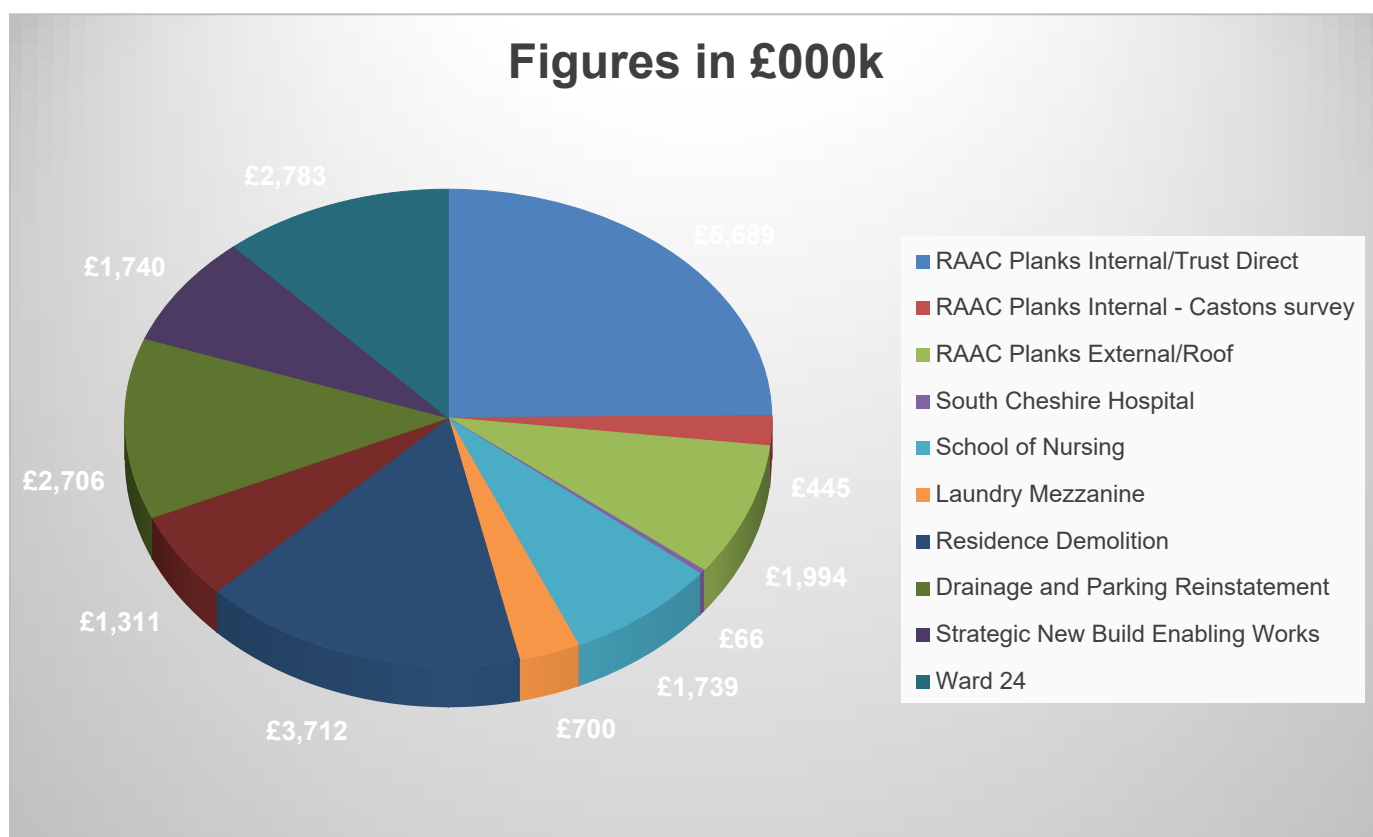
Phase 2 - 2022-23: £20.1m

Phase 3 - 2023-24: £21.5m

Phase 4 - 2024-25: £ 2.8m

2022/23 allocations onwards will be used to provide decant facilities and thus enable 'fail-safe' supports to be installed under the RAAC beams.

GRAPH 2 – RAAC SPEND ANALYSIS OF £22M BUDGET ALLOCATION FOR 2021/22



Victoria Infirmary Northwich (VIN)

The potential redevelopment of the VIN site is constrained by both the site ground conditions, its location in a Conservation area and there being a Grade II listed building on-site.

There is however, scope to significantly improve service delivery from the site in collaboration with the local Town Planners through targeted investment over the course of the next few years, such as via central funding that is being made available to tackle restoration of the Elective care waiting list backlog. Site survey works and discussions with Planners are planned for 2022 to further define and potentially amend the structural and heritage constraints of the site.

In addition, further work is required, alongside the CCICP Estates Strategic Plan to identify any future developments or intended use for VIN to ensure that funding allocations can be appropriately spent in a logical and well-planned manner ensuring value for money and an overall improvement in service provision at the VIN site. In October 2021 the Trust received £1.7m to build a Community Diagnostics Centre (CDC) at VIN as part of delivering the National Diagnostic recovery and renewal programme. VIN has currently been shortlisted as the Cheshire Elective Hub which if successful would see a £14.8m investment into the site.

CCICP Estate Strategic Plan

This Project is currently underway and due for completion in Q2 2022/23, once completed it will form a subset of the overall Estate Strategic Plan.

New A and E and Critical Care

The expansion of the Critical care unit was opened in January 2022 and the new A & E was officially opened on the 16th of February 2022 by the Secretary of State for Health.

Proposed New 4 Ward Block (4WB)

Laing O'Rourke were appointed in 2021 to manage the design of a proposed new 4 ward facility which, subject to funding by NHSE&I, would act as a decant facility to allow work to be undertaken as part of the RAAC risk mitigation measures and upgrade of the fire compartmentation to address the Fire Safety Enforcement Notice in the first instance. The design was due to be completed by the end of summer 2022 with a view to complete the construction phase by December 2023, however, the construction is subject to approved funding from NHSE&I of circa £70m, which at the present time has not been confirmed and now appears unlikely as a full site re-build option (excluding the Treatment Centre, Theatres and Critical Care Unit) is being considered by NHSE&I following commissioning of an independent report by Mott MacDonald to review various options for eliminating RAAC nationally from all sites by 2030. This project has been paused at the end of March 2022 due to lack of clarity around funding.

Leighton Hospital Fire Compartmentation

The Trust received a Fire Safety Enforcement Notice in 2009 detailing inadequacies within the Fire Compartmentation across the Trust. This resulted in a targeted capital refurbishment programme to address the identified issues, and there are currently five wards which have yet to be refurbished. To be compliant with the Fire Safety Enforcement Notice, the plan is to relocate these wards into a decant facility anticipated to be ready in early 2023 and to then commence the final phase of the refurbishment programme, combining this with the planned RAAC risk mitigation works that were referred to earlier. Further dialogue with Cheshire Fire and Rescue Service is planned for later in 2022 to share with them details of the proposed plan and to seek their endorsement to the revised arrangements.

Strategic Drivers

There are several national, regional, and local strategies and plans which influence how MCHFT's estate should be developed and utilised in the future. The following key themes have been identified in relation to the Trust's estate:

TABLE 4 - KEY STRATEGIC THEMES RELATED TO MCHFT ESTATE

The development/ improvement of infrastructure to support:	<ul style="list-style-type: none"> • The delivery of outstanding clinical quality and safety • A reduction in unwarranted variations • New clinical pathways/models of care • An integrated health and social care system including ICS/ACS • The provision of a wider range of services in both Primary and Community Care • To enable the repatriation of patients which currently cross organisational boundaries • Pathology integration across Mid and East Cheshire and the University Hospitals of North Midlands (UHNM) NHS Trust
An improved and updated estate to:	<ul style="list-style-type: none"> • Ensure pandemic resilience/support Covid-19 recovery response • Attract and retain skilled staff • Boost morale of staff and patients resulting in improved health outcomes
An estate which will:	<ul style="list-style-type: none"> • Be flexibly designed and standardised where possible • Consider the requirement for clinical adjacencies • Increase efficiency by reducing costs, maximising assets, and using the latest technology
Develop a sustainable estate in terms of:	<ul style="list-style-type: none"> • Net Zero Carbon/decarbonisation • Financial sustainability • Sustainable construction methods that use MMC and DfMA methodologies
The development of a SMART/ digitalised hospital by:	<ul style="list-style-type: none"> • Implementing latest technologies • Development of virtual clinics
Reduce the demand on ED by:	<ul style="list-style-type: none"> • An expansion of Ambulatory Care • Work with the wider health economy to develop alternatives to A&E and provide a more joined up Urgent Care offer • Extending the continuity of Urgent Care • Reducing pressure on emergency hospital services.
Collaborative working in terms of estate to:	<ul style="list-style-type: none"> • Provide economies of scale • Enable horizontal integration • Develop community services which offer care and support closer to home
Strengthen the link between primary and Community care to include:	<ul style="list-style-type: none"> • Appropriate signposting • The utilisation of hot and cold sites for hot and cold segregation • The adoption of increased out of hours working in the community
Support the development of services including:	<ul style="list-style-type: none"> • Extending the continuity of care in maternity • The development of enhanced Therapy Led Centres • Development of a Children's Hub • Development of Respiratory and Cardiology services in the community • Improved access to Women's and Children's services in the community

Cheshire and Merseyside ICS

The Cheshire and Merseyside Health and Care Partnership is an Integrated Care System (ICS) which is a group of organisations, including NHS providers and commissioners, Local Authorities, GPs, the community and voluntary sector, who are responsible for providing health and care services in Cheshire and Merseyside. The partnership was formally designated as an ICS from April 2021 and is planned to become a statutory body in July 2022.

Cheshire and Merseyside ICS developed an interim Estate Strategy in July 2020. This highlights that the coming years will present significant challenges for the existing estate and infrastructure, including the impact of technology to deliver a wider range of appointment options than have been provided previously, which may include reconfiguring current buildings to meet service needs.

Delivering services effectively will require organisations to optimise and use the wider estate differently to bring services together and facilitate new ways of working, to support the development of integrated and more flexible working. MCHFT is working closely with the ICS regarding the Trust's planned capital projects to ensure they are fully aligned with local, regional, and national strategies and will ensure that Trust assets are utilised in the most effective way for the wider benefit of the Cheshire and Merseyside communities.

Monitoring and Reporting

The following Key Performance Indicators (KPIs) have been developed to ensure that the implementation of the Estate Strategic Plan remains achievable and is delivered successfully to the agreed timescales and will be regularly monitored by the Trust through its current governance processes. KPIs have been developed in line with SMART principles (that they be Specific, Measurable, Achievable, Reasonable and Timely). Red, Amber, Green (RAG) rating indicates if each workstream within the proposed plan is on track.

TABLE 5 – KEY PERFORMANCE INDICATORS (KPIs)

KPI	Description	
Business Case/Strategy Development		RAG
1	Leighton Hospital Site Redevelopment Business Case meets the agreed SOC, OBC and FBC milestones as agreed by the Trust Board, and thereafter the RIBA stages during the design production, and construction phases, subject to funding release.	

KPI	Description	
2	VIN replacement Business Case meets the agreed milestones as agreed by the Board and subsequent design production, and construction phases. See VIN paragraph on page 10.	
3	Development and implementation of a joint strategy with NHSE&I to enable the removal of RAAC planks from the Leighton Hospital estate by 2035, meeting the agreed milestones set by both parties.	
4	Undertake a detailed review of the Central Cheshire Integrated Care Partnership (CCICP) estate to identify and scope opportunities for improved patient care/ efficiencies and implement approved plan to meet agreed milestones.	
Project Delivery		
5	RAAC Plank Risk Mitigation Works implemented in accordance with the milestones agreed with both NHSE&I and the Trust Board	
6	Implementation of the 2021-22 capital programme, including the new A&E Development and Critical Care Expansion projects by the agreed milestones.	
7	Source new off-site Office accommodation and relocate displaced Residences staff by the agreed milestones, including the implementation of new ways of working.	
8	Successful delivery of the CIR risk mitigation works within the Trust agreed timescales.	
9	Compliance issues regarding fire compartmentation in Wards 1, 9, 10, 18 and 19 to be eradicated by the end of 2023, in accordance with the Improvement Notice requirements, including the elimination of other backlog issues within these Wards. See Page 11 for update on new 4 story ward facility.	
10	Deliver year on year reduction in the 'high' and 'significant' risk Backlog Maintenance, with the available capital being positively utilised on a risk prioritised basis.	
11	Eliminate the 'high-risk' Backlog Maintenance associated with the MCHFT estate within the term of this Estate Strategic Plan	
12	Reduce the 'significant' backlog maintenance associated with the MCHFT estate by a minimum of 30% within the term of this Estate Strategic Plan. See page 8 for backlog reduction graph. Back reduction currently running at 7%.	

Governance

Clear leadership is critical to deliver the Estate Strategic Plan and the objectives set out in this strategic plan. MCHFT has established a robust governance structure to allocate responsibility and drive the successful delivery of our action plan.

Board of Directors

Oversight by the Board to implement the overall Estate Plan for the Trust. Trust Board membership is comprised of Chair, Chief Executive, Non-Executive and Executive Directors with the Chief Information Officer and Company Secretary in attendance.

Estate Redevelopment Programme Board

This Programme Board is chaired by the Chief Executive and is in place to oversee and monitor plans relating to the redevelopment of the Leighton and VIN sites. Membership includes the Director of Finance, Medical Director, Director of Estates and Facilities and a Non-Executive Director

Performance and Finance Committee

This Committee is chaired by a Non-Executive Director and is in place to oversee decisions relating to the organisation's operational and financial performance. The membership includes the Chief Operating Officer, Director of Finance and another Non-Executive Director.

Estates Redevelopment Steering Group

This is an Executive-led Group chaired by the Director of Finance and is attended by a cross-functional team, including the Estates Director, Chief Operating Officer, Deputy Medical Director, Head of Estates, Head of Development and Project Managers. Its purpose is to oversee and support decisions relating to the organisation's objectives.

Executive Safe and Sustainable Environment Group

A cross-functional Executive led Group which engages leaders from finance, estates, development, and operations to priorities risks and provide assurance to the Trust Board.

Estates and Facilities Divisional Board

The Estates & Facilities Divisional Board includes operational leaders from Facilities, Estates, Development and Health and Safety, to support the overall vision and help operationalise the Estate Plan.

Action plan

