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Bwrdd Iechyd Prifysgol  
Cwm Taf Morgannwg  
University Health Board

**CAPITAL & ESTATES DIRECTORATE**  
**ANNUAL ESTATES REPORT 2018/19**

**June 2019**



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## **1. PURPOSE OF THE REPORT**

The purpose of the report is to highlight the key achievements, risks, level of performance and governance in 2018/19 and to record the challenges for subsequent years. The previous report to this was presented at the October 2017 Executive Board meeting and November 2017 Board meeting.

## **2. BACKGROUND**

The Health Board provides performance data to NHS Wales Shared Services Partnership on an annual basis and this report incorporates the 2018/19 data submitted to the Estates and Facilities Performance Management System (EFPMS). The 2018/19 data will be published by the Welsh Government in the autumn 2019.

This report includes a review of:

- The profile of the estate, improvements made and backlog maintenance requirements.
- Governance arrangements in relation to statutory and mandatory requirements and the management of risk.
- Operational performance,
- Staffing infrastructure supporting the estate.
- Priorities for 2019/20

The on-going maintenance and development of the estate is a key enabler for the Health Board in terms of achieving its service strategies and plans. The Health Board has set out its Estate priorities in the Health Board's Integrated Medium Term Plan and includes the following objectives:-

- The estate is developed to meet emerging service models.
- All statutory and safety obligations are achieved.
- Backlog maintenance levels are reduced year on year.
- Performance against the six national targets is improved.

The Health Board's Integrated Medium Term Plan sets out an ambitious programme of service change, quality and performance improvements and cost reductions. The estate will need to be continually developed and improved across acute, community and primary care sectors to ensure that it supports the service changes required. This is particularly relevant to the Royal Glamorgan Hospital (RGH) which will see a number of service changes over the coming years. Significant work will also continue to be seen at Prince Charles Hospital (PCH) over the next 5 -6 years as we complete the Ground and First Floor Project (subject to Full Business case (FBC) approval) and from the current information available, the Bridgend property portfolio will require large scale capital investment.

The Capital Planning and Estates Directorate provides a wide range of services to the Health Board in respect of the estate, including:

- Operational day-to-day maintenance of the estate and assets within it.
- Ensuring compliance with statutory and mandatory requirements relating to the estate and assets.
- Management of the University Health Board's Capital Programme including major and discretionary capital schemes, the development of business cases to secure capital funding from the Welsh Government through to the commissioning of the new / refurbished buildings.
- Property management including rates, leases and Service Level Agreements.
- Management of site disposals and acquisitions.
- Energy management.
- Co-ordination of accommodation utilisation and changes within the Health Board.

### **Resources Available**

The Capital and Estates department's funded establishment across the period was 112 whole time equivalents, with a total budget for the Directorate of £13,483m (2018/19). This is broken down into the following:

Pay budget	£3,886m
Non Pay budget	£10,000m
Income	-£0.403m

The department also utilise capital monies, which have historically been ring-fenced in the discretionary capital prioritisation process at £500K each for statutory and mandatory compliance schemes and backlog maintenance schemes. Moving forward, an uplift will be required to cover the statutory requirements for Bridgend properties and this will be covered from an uplifted discretionary capital allocation from the disaggregation of the former Abertawe Bro Morgannwg University Health Board (ABM UHB) Capital Resource Limit.

An estates asset and plant replacement programme has been developed for 2019-2022, which will require significant levels of discretionary capital to continue addressing high risk backlog issues, in addition to Welsh Government All Wales capital for major electrical and mechanical infrastructure improvement work required at the Royal Glamorgan Hospital (RGH). A significant capital injection would be required to eradicate the high risk backlog which is currently estimated at £5.5m (excluding PCH).

The programme for this is attached as **Appendix 1**.



Appendix 1.xls

These figures will need to be revisited once the four facet estate survey is analysed from the Bridgend properties and the programme will be updated to include requirements from this survey.

### **3. KEY ACHIEVEMENTS IN 2018/19**

The Bridgend transition work carried out during 2018/19 impacted heavily on the senior team, yet despite, this there were significant achievements with delivery of the following :-

- Funding secured from Welsh Government for the delivery of the replacement MRI scanner and fluoroscopy suite at Prince Charles Hospital with both projects complete and operational.
- £36m funding secured for Phase 1B of the Prince Charles Hospital Ground and First Floor scheme, with work commencing in December 2018. This phase of the project will deliver the permanent restaurant and pharmacy areas and will complete in 2020/21. The Full Business Case for Phase 2 was submitted to Welsh Government in March 2019 for approval.
- Completion of the Prince Charles Hospital Obstetric, Midwifery, Neonatal and Paediatric schemes including an additional investment from discretionary capital for the replacement of the Cynon Block roof to enable the scheduled move of services from RGH to PCH.
- Plans are being developed for the next phase of the Diagnostic Hub to include expansion of endoscopy services both on an interim basis and longer term in conjunction with the RGH development strategy.
- Funding was secured for the refurbishment of Tonypany Health Centre from Welsh Government. £1.5M was approved and the scheme commenced in September 2018. Works remain on programme to complete in early 2019/20, within the total funding envelope.
- Work continues towards securing capital funding, subject to business case approval, for the Dewi Sant Phase 2 project to further increase the range of primary and community services to be delivered within the Health Park. The design works have completed and the business case submitted to Welsh Government, with the works programme to complete by late 2020/21.
- The Health Board in partnership with Macmillan secured £1.962M alongside a Macmillan grant of £5m to build a new specialist palliative care unit on the RGH site. Works commenced in 2017/18 and the total build scheme will complete in the Autumn 2019/20.
- Approval of the Strategic Outline Programme for RGH infrastructure by Welsh Government in 2017/18 enabled funding to be released to

develop the first of two Business Justification Cases to address the key infrastructure risks on the site. The electrical infrastructure Phase 2 case is expected to be approved in early 2019/20, on the back of detailed design works completed in 2018/19.

- Delivery of the 2018/19 Capital programme within the Capital Resource limit.
- From a workforce perspective, progress has been made on reducing sickness levels and improving PDR targets. This has been achieved through onsite sickness management training to Estate Officers and Supervisors, delivered through our workforce partners, to ensure policies are followed and sickness dealt with in a prompt and correct manner, utilising our Occupational Health Specialist support.
- Personal development reviews (PDR) levels have increased through robust management and highlight reporting prior to PDR due dates.
- Sickness percentages are reported and reviewed at the Capital and Estates Senior Managers Team, Operational Management Team & Staff Management meetings.
- Reduction in the number of on-call rotas contributing to the financial savings was completed and the changes made to a number of rotas at RGH at the end of the previous year. Continued monitoring and analysis will be undertaken to highlight any further savings across the region, whilst still maintaining operational effectiveness.
- Appointed 3 new Band 6 Estate Officers to improve compliance against Welsh Health Technical Memorandum requirements, with a commitment to also fund a 4<sup>th</sup> post from efficiency savings
- The overall levels of risk-adjusted backlog maintenance have reduced over the last few years, with the sale of a number of former community hospitals.
- The total risk adjusted backlog costs in 2018/19 were £5,520m compared to £5,531m reported in 2017/18. It must be noted that these figures exclude the costs associated with PCH as these are due to be covered as part of the ground and first floor scheme at PCH.
- Overall compliance against fire safety standards has improved considerably (85% of the estate compliant in 2018/19, compared with 75% in 2009/10), but work is still required to ensure that compliance against fire standards is improved at PCH.
- Integration of Capital and Estates administrative functions has been achieved.
- Received a significant assurance rating from audit for the management of energy and carbon.

## **4. PROPERTY**

### **4.1 Property Profile**

The profile of the Health Board premises at 31<sup>st</sup> March 2019 included the following:

- General Acute Hospitals: 2
- Community inpatient facilities: 5
- Other Patient and support Facilities: 27
- National Imaging Academy 1

The value of this estate is circa £333m.

In addition within Primary Care, GPs own and manage a large number of premises, many of which the Health Board shares or utilises to some extent.

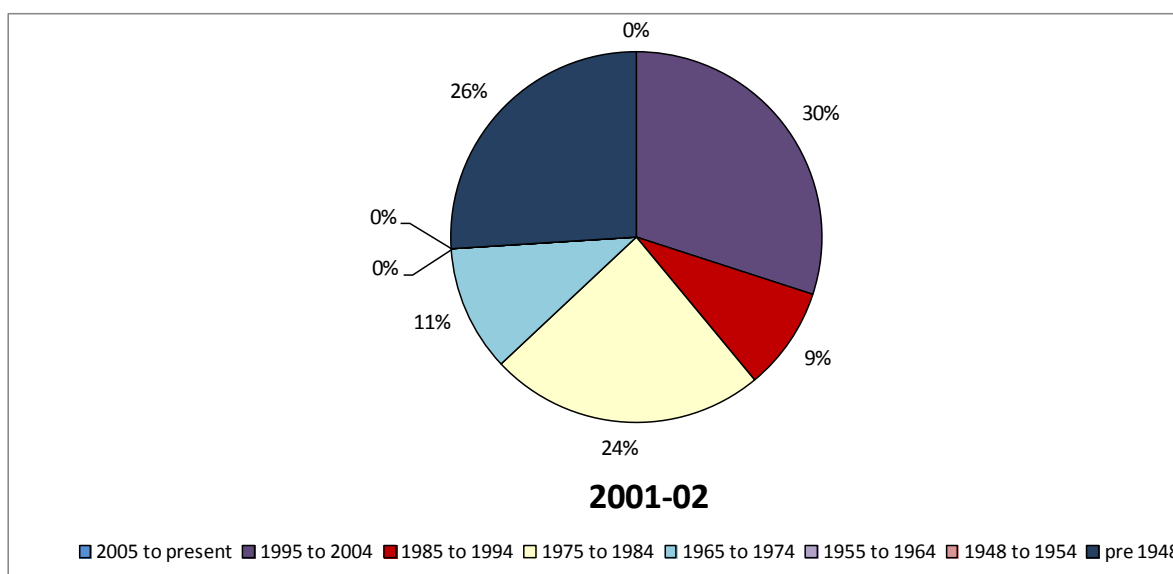
From 1<sup>st</sup> April 2019 the Health Board estate expanded to include properties within the Bridgend area which encompasses the following properties; most of these are owned with the balance occupied under a lease arrangement:

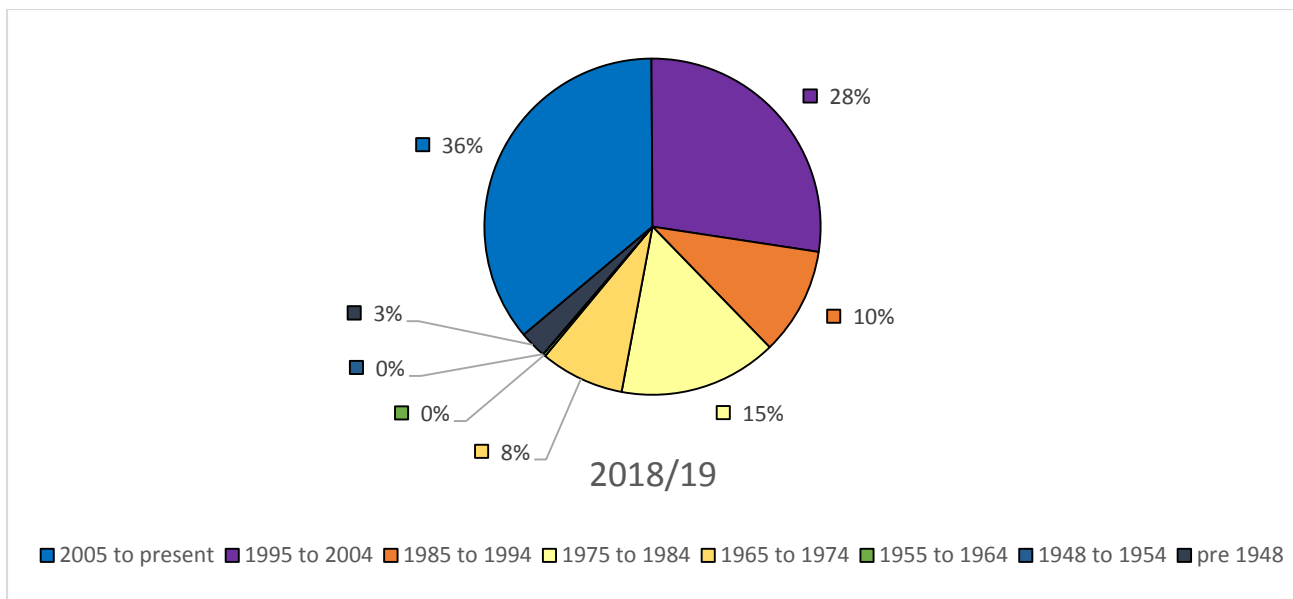
- General Acute Hospitals: 1
- Community inpatient facilities: 2
- Other Patient and support Facilities: 14

#### 4.2 Estate Age Profile

**Figure 1** compares the age profile of the Health Board’s estate in 2018/19 with 2001/02. This shows that the Health Board’s modernisation programme has resulted in a reduction in ‘pre-1948’ facilities from 26% to 2.6% and an increase in ‘post-1995’ facilities from 30% to 64%.

**Figure 1:** Age profile of the estate in 2001/02 and 2018/19



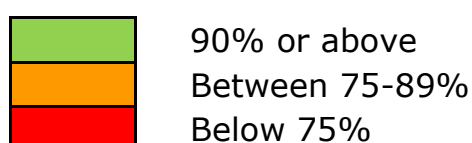


The charts demonstrate how the age profile of the estate has improved, with the older proportion of the estate reducing significantly. There does however, remain scope for improvement and future investment or disposal of the estate in order to move away from old, poor quality and functionally unsuitable properties

### 4.3 Condition of the Estate

The national and local data submitted for 2018/19 for the key performance indicators of the Health Board compared with the four previous years is indicated in the table below:

National Performance Indicators	2014/15	2015/16	2016/17	2017/18	2018/19
Physical condition	85%	85%	85%	85%	89%
Statutory & safety compliance	86%	86%	88%	90%	90%
Fire safety	87%	87%	85%	85%	85%
Functional suitability	97%	97%	97%	97%	97%
Space utilisation	96%	96%	97%	97%	97%

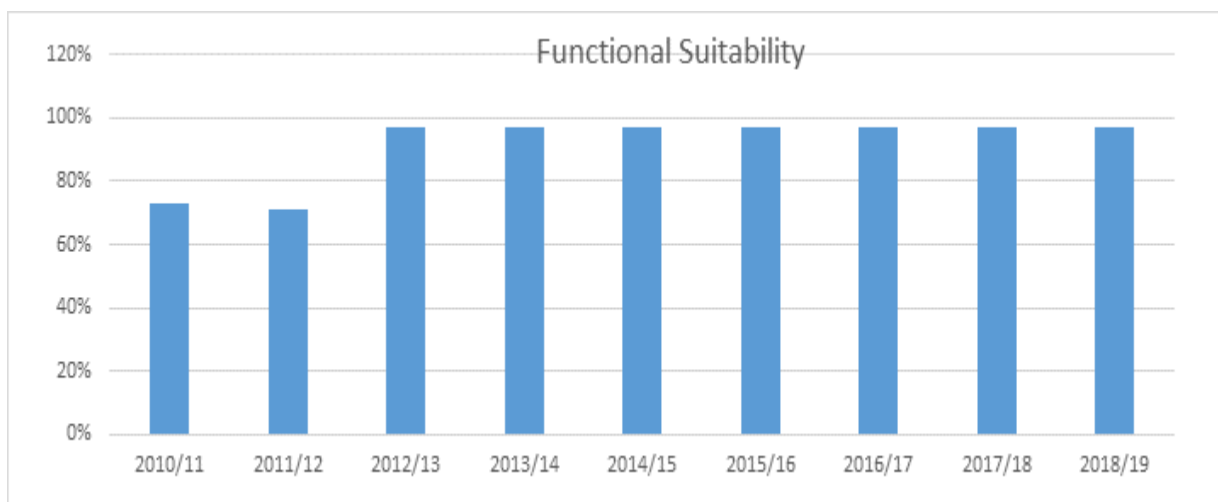


This demonstrates that Cwm Taf's performance in 2018/19 has been sustained against these national indicators, with increased performance on physical condition.

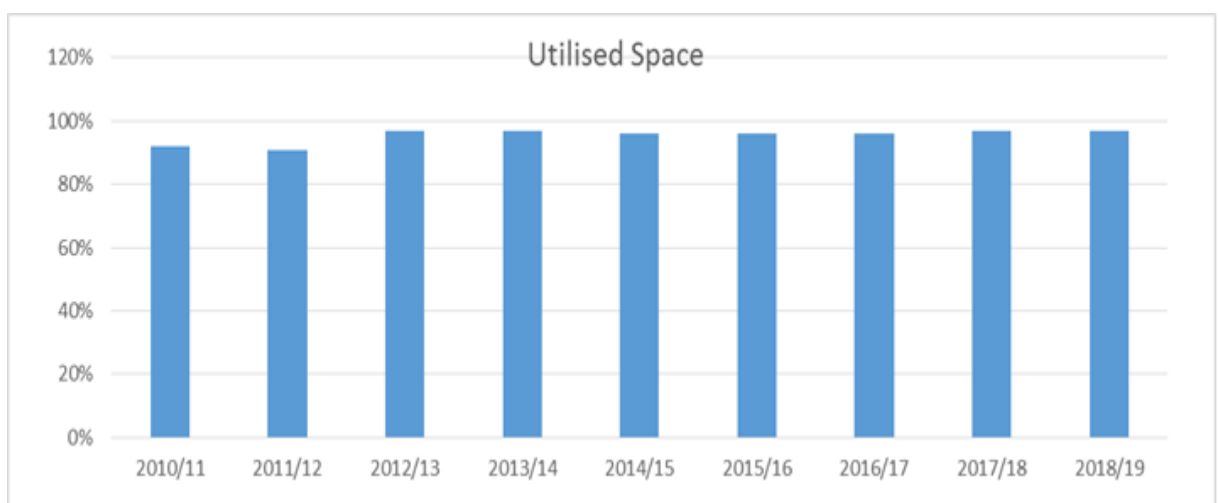
#### 4.4 Utilisation of the Estate

The Estates Condition and Performance report highlights the Health Board's performance in relation to the functional suitability of its estate, together with space utilisation. This indicator relates to the % of the estate that reaches category B for functional suitability and space utilisation, as outlined in Health Building Note 00-08 Estatecode.

The performance across Wales for these two performance indicators (targets are 90%) and how Cwm Taf has performed over recent years is provided below; Cwm Taf's performance on functional suitability was 97%.



Cwm Taf's performance on space utilisation was 97% in 2018/19



#### 4.5 Risk Adjusted Backlog Maintenance Costs

The Estates and Facilities Performance Management System returns to Welsh Government also records the resources required to address the maintenance backlog required to bring the estate up to 'physical condition B' and to statutory and fire safety compliance. The associated costs are shown in the table below.

<b>Organisation/ Hospital Name</b>	Cost to eradicate High Risk Backlog	Cost to eradicate Significant Risk Backlog	Cost to eradicate Moderate Risk Backlog	Cost to eradicate Low Risk Backlog	Risk Adjusted Backlog Cost
AGGREGATED SITE	6,031	191,226	2,667,943	205,401	289,645
PINEWOOD HOUSE	0	1,791	23,067	9,423	2,839
PONTYPRIDD & DISTRICT HOSPITAL	56,344	275,577	12,645	0	332,328
PRINCE CHARLES HOSPITAL	0	19,900	2169,352	6,256	90,080
ROYAL GLAMORGAN HOSPITAL	0	4456,809	2,973,656	492,754	4,586,628
YSBYTY CWM CYNON	0	11,941	0	0	11,941
YSBYTY CWM RHONDDA	0	1,195	717,765	226,056	31,637
YSBYTY GEORGE THOMAS	0	174,787	568,184	12,299	193,425
Health Board Totals/Averages	<b>62,375</b>	<b>5,133,226</b>	<b>9132,621</b>	<b>952,189</b>	<b>5,520,531</b>

## Backlog maintenance costs

<b>Backlog Maintenance</b>	Cost to eradicate High Risk Backlog	Cost to eradicate Significant Risk Backlog	Cost to eradicate Moderate Risk Backlog	Cost to eradicate Low Risk Backlog	Risk Adjusted Backlog Cost
2010-11	17,006,181	10,320,703	14,698,123	12,985,296	28,469,989
2011-12	13,868,651	5,938,727	9,595,069	10,177,032	20,680,320
2012-13	241,989	8,099,610	10,431,744	2,051,317	9,490,685
2013-14	74,301	7,179,341	8,835,729	1,209,757	7,530,914
2014-15	54,530	6,255,638	8,158,970	972,021	6,614,239
2015-16	56,166	5,616,630	8,403,738	1,001,181	6,812,732
2016-17	57,851	5,035,705	7,600,208	897,531	5,775,712
2017-18	59,587	5,186,778	9,785,130	924,456	5,531,469
2018-19	62,375	5,133,226	9,132,621	952,189	5,520,290

The total risk adjusted backlog of £5,520m reported in 2018/19 compares with a figure of £5,531m reported in 2017/18. It should be noted that these figures exclude the costs associated with the ground and first floor scheme at PCH. If the scheme were not to be advanced for any reason, then the total backlog maintenance figure for Cwm Taf would increase by tens of millions.

The Directorate has set itself a target of reducing backlog maintenance to minimal levels by 2022/23 and consideration is given to this when the discretionary capital programme is agreed each year. In addition, the disposal programme will help to reduce the backlog position when properties such as Tonteg, Pontypridd Cottage, Pontypridd Health Centre and Ystrad Clinic are sold in due course.

In summary, the data on the condition of the estate highlights:

- Major improvements have been made in the condition of the estate over the last few years.
- The completion of Phase 1A of the Ground and First Floor scheme and commencement of Phase 1B at Prince Charles Hospital mark the first phases in achieving compliance against fire standards. However Phases 2, 3 and 4 will require approval and funding before the site can demonstrate a total improvement in its backlog and fire position.
- The condition of the plant and estate is deteriorating at RGH with the biggest backlog maintenance cost associated with this site. Welsh Government Investment Infrastructure Board approved the major capital Strategic Outline Programme in 2017/18 and supported the development of the first in a series of two business justification cases to address the essential upgrade electrical infrastructure, due to be approved later this year. The second business case is due to be

developed this year for the cooling and ventilation systems on the site. Subject to WG funding becoming available, these two keys risks should be addressed within the latest IMTP cycle.

- Completion of Phase 1 of the Dewi Sant Health Park has delivered some improvements to the hospital site however further investment in Phase 2 is required to ensure that the site infrastructure is brought up to standard.
- Increases to current annual expenditure is required to reduce the overall backlog maintenance costs
- There are a number of primary care practices in poor condition which will need to be addressed as part of the Primary Care Estates strategy. Welsh Government primary care pipeline monies have supported Aberdare Health Centre refurbishment in 2017/18 and Tonypany Health Centre refurbishment in 2018/19, with Mountain Ash receiving Welsh Government revenue support for a Third Party Developer (3PD) new build.
- A 4 facet survey has been carried out on the Bridgend properties to inform the Health Board of the immediate estate priorities for the new expanded organisation. This will inform how discretionary capital is prioritised during this IMTP cycle. The figure reported for backlog costs in March 2019 was £25,789,900. The breakdown of these costs are included in the table on page 11

Survey Date		January 2019	
<b>Aberdare Bro Morgannwg University Health Board</b>			
Various Sites			
Bridgend			
Gross Floor Area		\$1,910m <sup>2</sup>	
Net Usable Area		71,338m <sup>2</sup>	
Age Profile		1500 - 2013	
Total Backlog		£12,592,250	
Total Budget		£12,287,450	
Total Cost (Exc. On Costs)		£38,077,350	
Total Backlog		£25,785,100	



**Condition Backlog Maintenance Works**

Total remedial work required for the BUILDING, M&E, STATUTORY, FIRE & DDA Elements:

Building	£18,043,400
M&E	£2,374,450
Statutory Compliance	£2,466,300
Fire Safety	£2,287,750
DDA	£603,500
<b>Backlog Total Cost</b>	<b>£25,785,900</b>

**Condition Future Planned Costs for Future Maintenance Works (5 years)**

Total remedial work likely to be required within a 5 year period for the BUILDING, M&E, STATUTORY, FIRE & DDA Elements:

Building	£7,974,100
M&E	£4,223,350
Statutory Compliance	£0
Fire Safety	£90,000
DDA	£12,287,450
<b>Future Planned Total Cost</b>	<b>£12,287,450</b>
<b>Combined Total Costs</b>	<b>£38,077,350</b>
<b>Combined Total Costs (Including On Costs)</b>	<b>£65,365,175</b>

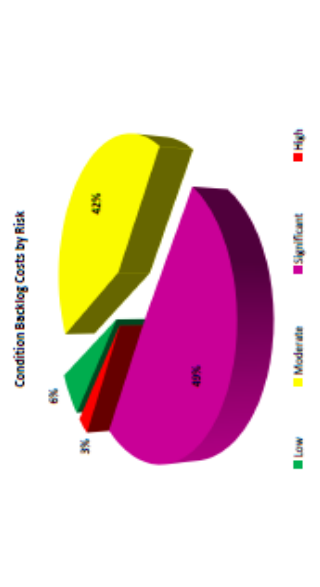
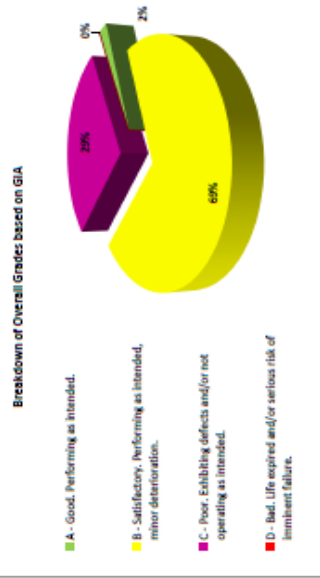
The On-costs include for F&E (12%), M&E (20%), Building Performance (20%) & Optimum Risk Contingence (12%).

**Site Location & Description**

The Aberdare Bro Morgannwg University Health Board site surveyed comprised the large Princess of Wales Hospital site in Bridgend along with two smaller sites of Glenfield and Meeting Hospitals and several smaller community sites. The sites formed the eastern sections of the Aberdare Bro Morgannwg University Health Board estate with the Health Board owning numerous sites not assessed as part of this survey.

Block Code	Block Name	GIA	Backlog Costs		Costs		Facet Grades						
			(2019)	(2020-2024)	Total Cost	Total Cost (Inc. On-Costs)	Facet 1 Condition Grade	Facet 2 Structure Grade	Facet 3 Statutory Compliance Grade	Facet 4 Environmental Grade	Access Easement Grade	Overall Grade	
001	AD The Parade	600	£202,500	£19,000	£221,500	£89,905	C	C	B	C	C	C	C
002	ABC Day Services	694	£12,350	£90,000	£102,350	£79,075	A	A	B	B	B	A	A
003	Bryntal	368	£51,150	£60,000	£111,150	£200,651	B	B	B	B	C	C	B
004	Synthetic Clinic	195	£406,625	£0	£406,625	£669,044	C	C	B	C	C	C	C
005	Bryntal Clinic	96	£88,100	£17,000	£105,100	£175,517	C	C	C	C	C	C	C
006	Self Pay Alton Rehabilitation Unit	901	£336,625	£10,000	£346,625	£579,138	B	B	B	B	B	B	B
007	General Store 10W	2482	£38,050	£197,000	£235,050	£97,024	C	C	B	C	C	B	C
008	Day 1 Block	366	£39,650	£21,000	£60,650	£101,286	B	B	B	B	B	B	B
009	Quarrels Hospital	17039	£3,815,625	£799,650	£4,615,275	£7,202,509	D	C	B	C	C	C	C
010	Waldy Welfare	811	£84,275	£73,000	£157,275	£179,149	B	B	B	B	B	B	B
011	Uxley Newydd	517	£23,925	£49,000	£72,925	£121,785	B	B	B	B	B	B	B
012	Meeting Hospital	3006	£1,415,650	£386,500	£1,802,150	£3,010,259	C	C	B	D	C	C	C
013	Meadow Court	366	£33,150	£10,000	£43,150	£72,961	B	B	B	B	B	B	B
014	North Connally Clinic	195	£146,305	£6,000	£152,305	£260,395	B	C	B	C	C	C	C
015	Agnes VMA Clinic	193	£15,125	£13,500	£28,625	£47,804	B	B	B	B	B	B	B
016	Self Treat HQ 71, Quarrels Road	3363	£1,649,625	£33,000	£1,682,625	£2,810,318	C	C	B	C	C	C	C
017	Proposed Primary Care Centre	1345	£49,625	£0	£49,625	£82,874	A	A	B	C	A	A	A
018	Process of Wales Hospital	9818	£16,839,350	£10,655,400	£27,494,750	£45,582,333	C	B	B	C	B	B	B
019	Quarrels Road Clinic	296	£118,900	£20,000	£138,900	£31,963	B	B	B	B	B	B	B
020	The Broom & The Lark	396	£10,900	£43,000	£53,900	£90,013	B	B	B	B	B	B	B
021	The Lodge, Walsley	50	£59,250	£0	£59,250	£98,948	D	C	D	D	C	D	C
022	Ty Gorth Newydd	371	£30,775	£17,000	£47,775	£79,784	B	B	B	B	B	B	B
023	Ty Penrhos	214	£22,250	£40,500	£62,750	£87,385	C	B	B	B	B	B	B
101W	101W	91319	£25,789,900	£12,287,450	£38,077,350	£68,589,175	-	-	-	-	-	-	-

Overall Risk	A - 15-15	B - 16-45	C - 46-75	D - 76-100
Building	0%	6%	3%	42%



Facet Key	Facet Key	Facet Key
<b>Physical Condition:</b>	<b>Statutory Compliance:</b>	<b>DDA/Access Easement:</b>
A - Good. Performing as intended.	A - Very satisfactory. No change needed.	A - Very satisfactory. No change needed.
B - Satisfactory. Performing as intended, minor deterioration.	B - Satisfactory. Minor change needed.	B - Satisfactory. Minor change needed.
C - Poor. Exhibiting defects and/or not operating as intended.	C - Not satisfactory. Major change needed.	C - Not satisfactory. Major change needed.
D - Bad. Life expired and/or serious risk of imminent failure.	D - Unsatisfactory in the present condition.	D - Unsatisfactory in the present condition.

## 5 ESTATES OPERATIONAL PERFORMANCE

### 5.1 Performance Indicators

The Estates department has a 'Planned and Reactive Maintenance Policy' which sets out best practice, roles and responsibilities with regards to estates maintenance services. The department provides an essential 24 hour, 365 days a year service in the delivery of planned, reactive and help desk maintenance across the estate.

Historically the Estates department have measured and monitored a range of indicators related to the quality of the service. These include:

- % of statutory tasks undertaken each month.
- % of mandatory tasks undertaken each month.
- % of helpdesk calls completed each month.

The maintenance programme is managed via the Tabs Facilities Management computer system, which enables the scheduling and operation of all planned and reactive maintenance jobs and is reported bi-monthly to the Estates and Capital Governance Board, and monthly at the Estates Operational Management team meetings. The department carry out approximately 36,000 jobs per annum.

The table and graph below show improved performance in 2018/19, with an increasing trend in statutory, mandatory and response desk jobs.

<b>Year</b>	<b>Statutory PPM Jobs</b>	<b>Mandatory PPM Jobs</b>	<b>Response Desk Jobs</b>
2013/14	92.6	77.7	80.1
2014/15	82.2	76.5	78
2015/16	90.8	75.4	69.6
2016/17	93.2	80.9	72.7
2017/18	93.6	82.3	74.2
2018/19	94.8	85.0	76.5

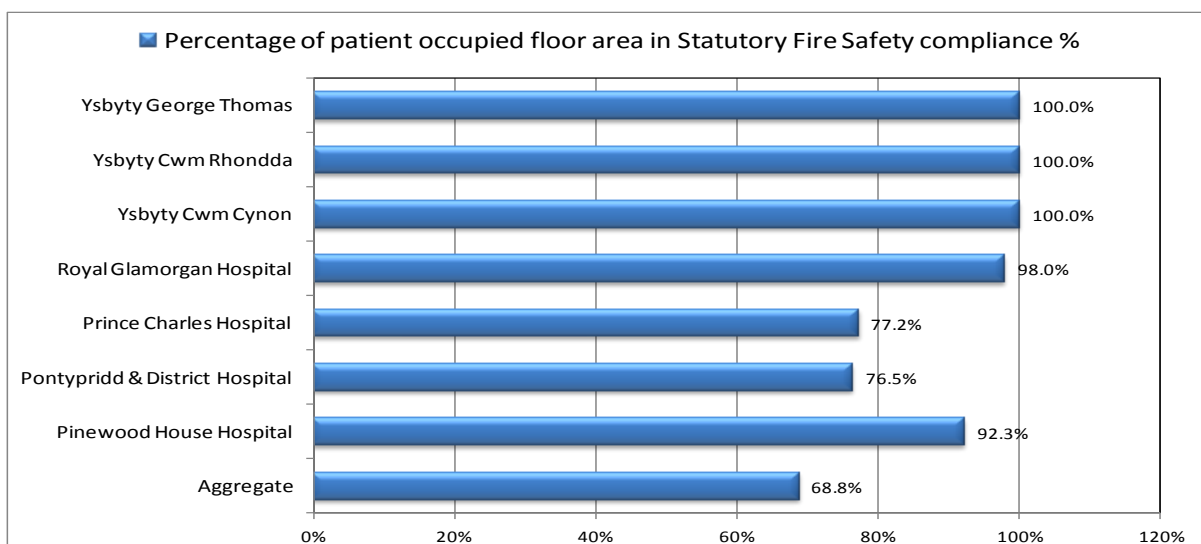
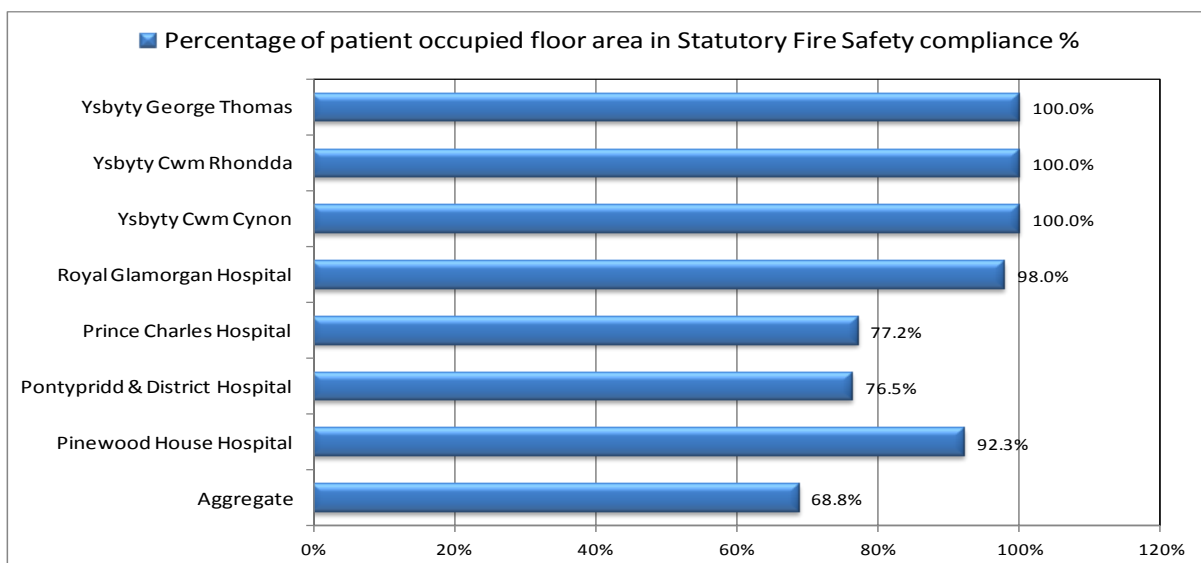
Although there has been a demonstrable increase in the annual planned preventative maintenance (PPM) performance levels for mandatory and response desk compliance, it should be noted that not all tasks however are completed each month. This is compounded by the retention and recruitment challenges of certain skilled estates staff and the recruitment and retention challenges of being often unable to match external salary expectations.

These risks are minimised wherever possible by ensuring that where a particular PPM is not undertaken one week/month, then it is undertaken on the following occasion. This is monitored by the Assistant Director of Capital

and Estates through the Directorate Governance Board, by the Operational Head of Estates and senior operational estates managers at monthly operational management meetings.

## 5.2 Statutory and Mandatory Compliance

The National Estates Condition and Performance report for 2018/19 outlines the performance in relation to two measures on statutory compliance: currently 88% of estate in condition 'category B' for statutory and safety compliance (excluding fire safety) and 85% of estate in condition category B for fire safety. The breakdown by site within Cwm Taf is presented in the two graphs below:-



Further improvements will be seen once the refurbishment of the ground and first floor at Prince Charles Hospital is completed and work is also continuing on other sites to address fire safety issues.

## **6. ENERGY PERFORMANCE**

The Health Board recognises that the consumption of energy and water is necessary for the provision of healthcare services, but it also has a responsibility to be energy and resource efficient in minimising unnecessary usage. An Energy Policy has been implemented and a number of initiatives aimed at reducing energy consumption, carbon emissions and cost have been progressed.

### **6.1 Energy Targets**

The energy/water consumption targets are as follows:

- 90% of the estate to consume 410 kWh/m<sup>2</sup> or less.
- Reduce carbon emissions by 3% per annum.
- Reduce water consumption by 2% per annum.

The reduction of energy usage will deliver benefits of:

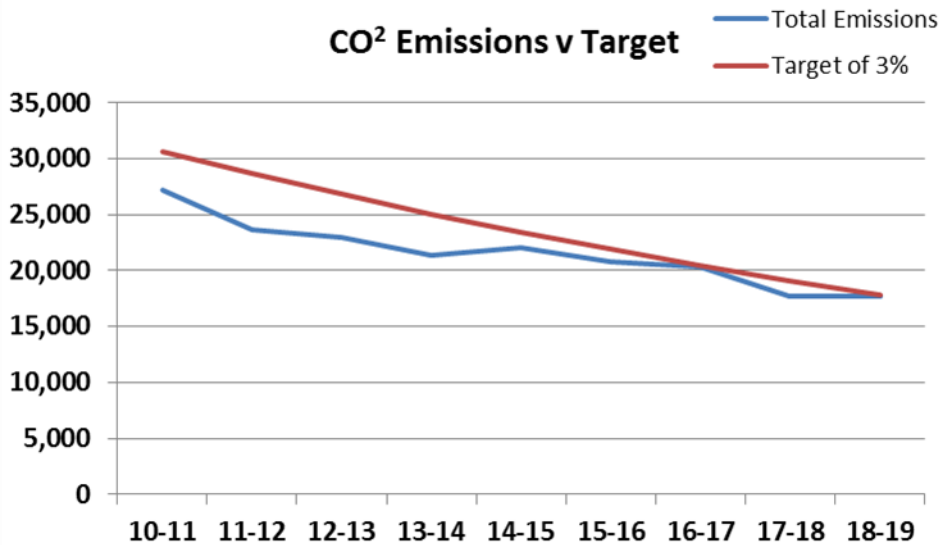
- Reducing cost which enables savings made to be reinvested.
- Minimising the impact on the environment.

### **6.2 Monitoring**

The Health Board utilises the Team Sigma software to monitor the consumption of energy and water. Monthly data is input from meter readings or supplier invoices. The software will flag when consumption is greater than expected. The software is also used for producing Statutory Display Energy Certificates and the Annual Carbon Reduction Commitment (CRC) Report. Energy cost information is calculated by Team, which also informs the finance department regarding the accrual and actual spend for that month.

The target for the Health Board is to maintain a carbon reduction commitment target of 3% year on year, as directed by the Welsh Government. The trend graph below shows that the emissions are continually reducing, albeit with reducing margins.

The Cwm Taf 'Strategic Assessment of Energy Efficiency Opportunities' report has been undertaken with consultancy support from the Welsh Government Energy Service (WGES) which recommends six detailed projects. The work identified the potential for a 13% carbon saving that can be achieved across the six audited sites.



Shared Services Partnership (Audit and Assurance Services) carried out an audit of the CRC Energy Efficiency scheme in 2018/2019 to review operational procedures to ensure the Health Board is compliant with CRC scheme guidelines, including both mandatory and best practice elements. The final report concluded that the Health Board can take 'substantial assurance' and is attached as **Appendix 2**.



Appendix 2.pdf

Benchmarking software has been developed to review monthly gas and electricity consumption from periodic meter readings added to the Team energy monitoring software. This method of benchmarking will assist in the identification of any increased consumption across the Health Board.

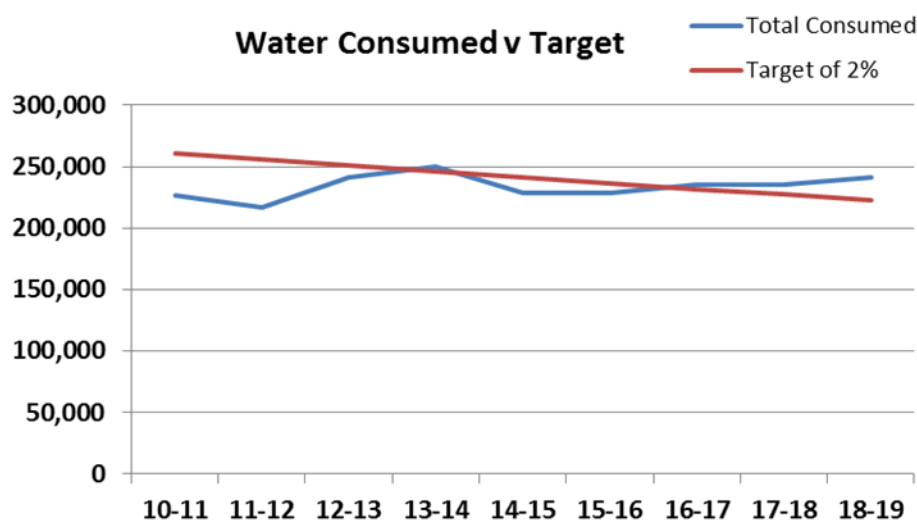
### 6.3 Water

In the same way as energy consumption, water is monitored monthly using the Team Sigma software, by entering monthly meter readings into the system. A reduction target for water was set at 2% annually which has been achieved.

During 2018 /2019 enquiries were again made to Dwr Cymru Welsh Water to potentially extend the service across the estate especially the larger sites where a small water leak might not otherwise get noticed. These enquiries are ongoing into 2019/2020. Smaller premises with low levels of consumption such as Health Centres and Clinics all now have conventional water meters installed.

The trend graph below shows that consumption was reducing, although the Health Board has suffered significant non-visible underground water leaks at Prince Charles Hospital and Dewi Sant. These leaks were only detected

when meters were manually read as there is no automatic monitoring currently fitted to these meters. An allowance from Dwr Cymru Welsh Water was received for the cost of the water lost.



Due to the difficulty of reading some of our site water meters, telemetry has been added to the Ysbyty Cwm Cynon water meter to trial the benefits. This will monitor the consumption and raise an alarm if there is an excessive volume detected for a given period.

Capable benchmarking software has been developed to review monthly water consumption from periodic meter readings added to the Team Energy monitoring software. This method of benchmarking will assist in the identification of increased consumption across the Health Board, however the installation of automatic metering systems would provide greater benefits in the form of real time automatic leak detection alerts without the requirement for manual meter readings.

#### 6.4 Utility Cost

The tables below show the average costs for energy and water per occupied floor area. The unit rates increased by 11% for electricity and 2% for gas in 2018/19

##### Total Energy Cost per Occupied Floor Area

Data	Unit	2014/15	2015/16	2016/17	2017/18	2018/19
Total Energy Cost	£	4,273,329	3,810,037	3,937,642	3,907,959	4,598,379
Occupied floor area	m <sup>2</sup>	172,742	172,608	184,432	185,485	180,292
Total Energy Cost per occupied Floor Area	£/m <sup>2</sup>	24.7	22.1	21.4	21.1	25.5

The table below shows costs per m<sup>2</sup> of occupied floor area year on year.

### **Total Water and Sewage Cost per Occupied Floor**

<b>Data</b>	<b>Unit</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Water Cost	£	301,453	289,702	300,121	309,533	334,556
Sewage Cost	£	280,106	273,518	282,230	305,146	328,212
Total Water and Sewage Cost	£	581,559	563,220	582,351	614,679	662,768
Occupied floor area	m <sup>2</sup>	172,742	172,608	184,432	185,485	180,292
Total Water and Sewage Cost per Occupied Floor Area	£/m <sup>2</sup>	3.37	3.26	3.15	3.31	3.67

This table shows an increased cost per m<sup>2</sup> of occupied floor during 2018 /19 which costs is primarily due to a 4 % increase in unit rates .

## **6.5 Energy Efficiency Investment Projects Completed**

A number of energy efficiency projects have been completed and include the installation of LED lighting, voltage optimisers, efficient boiler replacement and Building Management Systems across the estate.

Investment has been made in various Low Zero Carbon (LZC) technologies which include biomass boilers at Ysbyty Cwm Rhondda and Ysbyty Cwm Cynon, and solar panels and air source heat pumps at Kier Hardie Health Park. These schemes will assist in reducing carbon emissions.

In addition, the department has worked with our utility suppliers to install smart meters on all our sites. The benefit of these will be the availability of real time, accurate data which is readily accessible on the web.

The Cwm Taf 'Strategic Assessment of Energy Efficiency Opportunities' report has been undertaken with consultancy support from the Welsh Government Energy Service (WGES) and comprises the recommendations of six detailed energy audits completed in August 2018. The work identified the potential for a £700k annual utility saving that can be achieved across the six audited sites, with the aid of £3m financing via the Wales Funding Programme.

## 6.6 All Wales Benchmarks

The All Wales Dashboards for 2017/18 confirm that energy consumption (kWh/m<sup>2</sup>) in Cwm Taf has reduced from 431 to 406 whilst CO<sub>2</sub> (Kg/m<sup>2</sup>) emissions has reduced from 106 to 95, which has moved the position from an amber to a green against the national benchmark. The Dashboards are attached as **Appendix 3A and 3B**



Appendix 3A.pdf



Appendix 3B.pdf

## 6.7 Planned Energy Developments

The Directorate has been actively working with the Welsh Government Energy Service to progress a Carbon Reduction Strategy with an initially scoped value of £3m investment, with a preferred delivery route via a Re:fit Cymru Energy Performance Contract and financing via the Wales Funding Programme. The Re:fit access agreements have been signed by the Health Board and returned to the programme administrators in London.

Welsh Government have set out the ambition for the public sector in Wales to be carbon neutral by 2030. This is underpinned by legislative requirements set out in the Environment (Wales) Act, Wellbeing of Future Generations (Wales) Act, and wider UK and EU legislative drivers. This carbon reduction requirement, alongside the need for revenue energy cost reduction demonstrates the need for Cwm Taf Morgannwg UHB to progress energy efficiency and renewable energy projects at scale, and at pace. With Welsh Government delivery support and finance schemes available, the opportunity for cost and carbon efficiency improvements across the estate have now been identified.

Specific project opportunities identified within the report cover include:

- Lighting & lighting controls;
- Boilers and retrofit improvements;
- De-steaming, steam network maintenance and steam boiler replacement;
- Combined heat and power (CHP) projects;
- Heating network control, zoning and strategic metering;
- Building management system (BMS) control improvements;
- Solar photovoltaic (PV) renewable energy solutions; and
- Other low-cost control measures.



*New dual fuel (gas & oil) boilers at Ysbyty Cwm Cynon to increase site resilience*



*New external flues for the new dual fuel boilers at Ysbyty Cwm Cynon*

## **7. CAPITAL**

In 2018/19 the opening capital position was as set out below, the recurrent discretionary allocation of £6.78M was adjusted to reflect £0.35M on the neonatal scheme brought forward from 2017/18. The only other approved and funded schemes in April 2018 were the Ground and First Floor Phase 1A at PCH, Neonates, as discussed above and EDCIMS, funding to support the implementation of the All Wales Emergency Care ICT system. In addition to this the Health Board had access to the £5m grant from MacMillan to continue on the build of the new Specialist Palliative Care Unit based at the RGH. This scheme commenced in 2016/17 and is due to complete in the Autumn of 2019.

	<b>2018/19 £m</b>
<b>WG Discretionary Capital Funding</b>	6.430
<b>WG All Wales Capital Programme Funding</b>	3.938
Phase 1a Prince Charles Hospital Ground & First Floor Refurbishment	3.067
EDCIMS - CT element	0.521
Neo Natal	0.350
<b>Total Welsh Government Funding</b>	<b>10.368</b>
MacMillan Grant for the New Specialist Palliative Care Unit	3.500
<b>Total Capital Programme Funding</b>	<b>13.868</b>

Throughout the year a significant number of funding changes were made as set out in the table below:

	<b>2018/19 £m</b>
<b>WG Discretionary Capital Funding</b>	7.773
<b>WG All Wales Capital Funding</b>	16.405
Phase 1a Prince Charles Hospital Ground & First Floor Refurbishment	2.642
EDCIMS - CT element	0.100
Neo Natal	0.350
Tonypandy - Primary Care Pipeline scheme	1.308
Prince Charles Hospital Refurbishment Ground & First Floor Phase 1b	4.050
Replacement Fluoroscopy Equipment at PCH	0.905
Replacement MRI Scanner at PCH	2.195
ICT Wi-Fi Infrastructure	0.590
Fees for Dewi Sant Phase 2 Development	0.311
Digital Cellular Pathology ICT Equipment	0.124
IM&T Discretionary Allocation	0.815
Additional Funding - National Imaging Academy	0.131
Additional Funding - Pharmacy IT	0.270
Additional Funding - February additional equipment	1.576
Eye care Sustainability Funding	0.170
ICF - Specialist Equipment	0.008
Additional ICT Equipment & Cyber Security	0.860
<b>Total Welsh Government Funding</b>	<b>24.178</b>
MacMillan Grant For Specialist Palliative Care Unit	3.003
<b>Total Capital Programme Funding</b>	<b>27.181</b>

The table shows that a total of £24.178M Welsh Government Funding was received in 2018/19, an increase of £13.8M from the opening position reported in the first table.

In relation to the discretionary allocation, a £1.3M uplift to discretionary funding was awarded by Welsh Government in November 2018, this was also provided with a ring-fenced IM&T uplift of £0.815M (shown in the above table). The Health Board decided to utilise all of the ring-fenced

sums plus some of the general uplift to commence the digitisation of health records project at a capital cost of £1.2M in 2018/19.

In addition to the above, the remainder of the capital programme was committed to organisational priorities including an investment of:

- £1.4M in ICT infrastructure, hardware and software
- £1M on replacement and new equipment
- £0.5M statutory compliance i.e. legionella, asbestos testing and removal
- £2.2m on backlog maintenance, a number of small schemes to improve and upgrade parts of the estate
- £2.3M on new schemes and developments and these including: supporting additional aspects of the neonatal scheme, replacement of the Cynon block roof and the creation of a High dependency area in the paediatric Ward at PCH.

Funding was also approved to support the commencement of works to create a centralised decontamination Unit at PCH, the creation of an area for catering and outpatient clinics on the Ground Floor of Dewi Sant in advance of the Dewi Sant phase 2 scheme to complete the Health Park. This funding has also supported the commencement of a programme of works to reconfigure services at RGH especially with the move of neonatal, consultant led midwifery and inpatient paediatric services to PCH, this work will include the creation of a freestanding midwifery unit and paediatric assessment unit (works commenced) as well as an enlarged endoscopy and day service and a centralised breast unit.



*Typical birthing pool suite at PCH*



*Typical mother & baby room at PCH*

In relation to the All Wales Capital Programme funding, since April 2018 the Health Board received as additional £12M for the following ring-fenced projects:

- Tonypandy Health Centre Refurbishment – this is part of the Welsh Government Primary Care Pipeline Programme and represents a £1.56M

upgrade and refurbishment of the Health Centre. The scheme commenced in September 2018 and will complete in June 2019.



*Tonypandy Health Centre exterior prior to refurbishment*



*Tonypandy Health Centre exterior after refurbishment*



*Tonypandy Health Centre interior prior to refurbishment*



*Tonypandy Health Centre patient waiting area & reception after refurbishment*



*Tonypandy Health Centre typical consulting room prior to refurbishment & after refurbishment*

- Ground and First Floor Phase 1B – this is the second phase of the Ground and First Floor programme, totalling £36M and will result in removal of asbestos and improved fire precautions in one area of the building where the restaurant and pharmacy is contained. The scheme commenced in December 2018 with a 36 month programme and will complete in 21/22.



*Temporary restaurant at PCH*



*PCH Restaurant food preparation area*



*Restaurant Hot food servery at PCH*



*Staff & visitor dining area at PCH*

Once the temporary kitchen & restaurant area was created work commenced on contract 1B in the old kitchen restaurant area.



*PCH Phase 1B works prior to the ceiling installation*



*PCH Phase 1B works vision panel into a controlled Asbestos area*



*PCH Phase 1B works packages at varying stages*



*PCH Phase 1B works packages at varying stages*



*PCH Phase 1B works creation of a new lift pit into the ground i.e. below ground floor level*



*PCH Phase 1B new offices, storage & staff changing area*



*PCH Phase 1B external ground works*



PCH Phase 1B steel work for a new plant room adjacent to the boiler house

- The Health Board also secured funding for the replacement of both the MRI and Fluoroscopy Suite at Prince Charles Hospital totalling £1.5m and £1.1M respectively. Both schemes commenced in the autumn of 2018 with equipment installed by March 2019 and works completing in early 2019/20. These were 2 essential imaging replacements required for the Health Board.



*New MRI at Prince Charles Hospital*

- Through the National Informatics Funding stream, the Health Board secured funding to upgrade community Wifi (£0.59M) as well as improve network infrastructures and upgrade computer hardware across the Health Board (£0.86M).
- In addition to this Welsh Government provided significant sums of monies to cover the purchase of replacement clinical equipment such as theatre stacks, ultrasounds and mobile X Rays (£1.57M) as well as money to support the roll out of glaucoma clinics to community settings (£170K) and additional funding for some additional imaging equipment at the National Imaging Academy (£0.131M).

The Health Board also continued to deliver on the building of the Macmillan Specialist Palliative Care Unit with the support of the grant from Macmillan. This building will complete in the summer 2019.



*An artist's impression of Y Bwthyn at The Royal Glamorgan Hospital*



*Exterior view of Y Bwthyn in construction at The Royal Glamorgan Hospital*

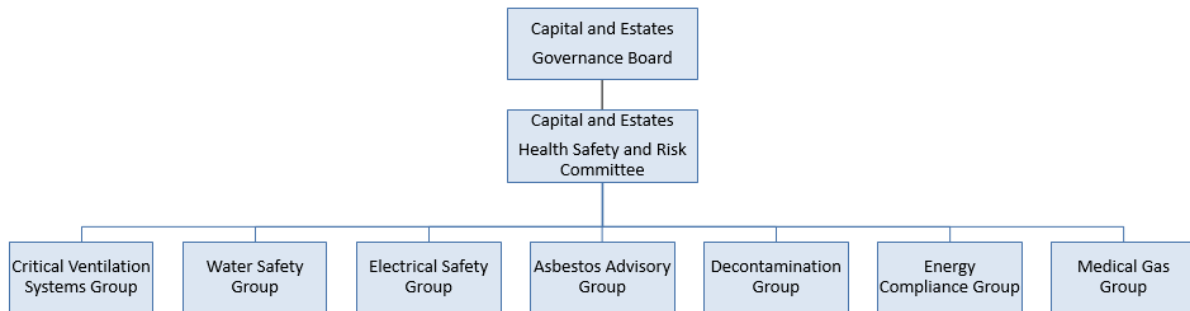


*Interior view of Y Bwthyn in construction at The Royal Glamorgan Hospital*

The Health Board has delivered on an ambitious and challenging capital programme, securing additional funding throughout the year to deliver on a range of priorities and continues to work closely with Welsh Government to work to secure funding for ongoing capital needs.

## 8. GOVERNANCE ARRANGEMENTS

Within Estates, responsibility for governance lies with the Assistant Director of Capital and Estates and the Senior Management team, a number of staff are employed specifically to support the compliance agenda. The directorate has over the reporting period strengthened its governance arrangements and operates eight compliance groups that report to the Directorate Health, Safety and Risk Committee and the Capital and Estates Governance Board as shown in the structure below.



The terms of reference for the Groups are shown as **Appendix 4**.



APPENDIX 4.docx

Clear responsibilities and accountabilities for certain aspects of the estates function are set out in a series of Health Technical Memoranda (HTM) and include roles for 'Designated/Responsible Persons', 'Authorised Engineers (AE)', 'Authorised Persons (AP)' and 'Competent Persons'. A full list staff currently fulfilling the AE and AP roles are attached as **Appendix 5**.



Appendix 5.xlsx

To support the governance agenda and provide the necessary independence, the Health Board receives reports from NHS Wales Shared Services Partnership - Specialist Estates Services Authorised Engineers for key engineering systems. The tables below highlight the recommendations received from the Authorising Engineers and the actions carried out by the Health Board. The Authorising Engineer's reports are attached as **Appendix 6**.



Appendix 6.pdf

<b>Audit Recommendations from Authorising Engineer (AE) Reports 2018 - 2019</b>	
<b>MGPS (Medical Gas) audit carried out by the Authorising Engineer January 2019. Overall compliance rating – Limited / Reasonable Governance Arrangements</b>	
Recommendation by Authorising Engineer	Actions carried out by the Health Board
<p>It was noted that the main non conformities relate to the training and appointment of Appointed Persons.</p> <p>To cover all sites the HB needs to train and nominate additional Appointed Persons (AP's) to the Authorising Engineer for assessment; if the assessment is successful the AE (MGPS) will recommend that the AP's (MGPS) be appointed in writing by the DP.</p> <p>This area was noted as being the greatest risk and governance non conformity, and an area which has since been greatly reduced in the training carried out since the report.</p>	<p>2 Senior Estates Managers have undergone training and assessment and are now appointed in writing as Health Board Appointed person (AP).</p> <p>4 additional Estates Officers have been trained and qualified in Welsh Health Technical Memorandum medical gases, following this they must now carryout site specific assessments to demonstrate to the Authorising Engineer that they have sufficient on site knowledge of the systems. 2 more persons have been identified to carry out the medical gas training with a planned completion of Autumn this year This significantly reduces the main non conformity noted in the report and will be reflected in the next AE assessment.</p>
<p>Limit the number of AP roles in the same discipline to a maximum of two per person.</p> <p>This increases the risk to the HB and results in non-conformity and limited assurances, in persons being unable to fully discharge their AP duties in their roles. Where persons take on multiple AP duties the work load becomes greater than the sum of the week, resulting in factors of the AP duties being missed.</p>	<p>To address this non-conformance 4 additional band 6 estates officers posts were approved and the posts subsequently appointed to in the winter 2018/19. This ensures that the AP roles are limited to a maximum of two per person.</p>
<p>Produce an action plan to address the non-compliance issues highlighted in the compliance reports produced by NWSSP-SES.</p>	<p>Action plans have been produced and are updated as each non-compliance issue is addressed and are monitored by the medical gas compliance group.</p>

<p>Develop the MGPS committee further and ensure relevant personnel are in attendance.</p> <p>This relates to the quarterly held, HB medical gas committee, which meets to ensure governance of the medical gas pipelines within the HB properties. This ensures that all parties have a place at the committee to discuss medical gases within their departments.</p>	<p>MGPS Medical Gas Committee meets at quarterly intervals, the Terms of Reference (TOR's) have been updated to ensure appropriate representation at the group.</p> <p>This has been an agenda item within the recent meetings, where the TOR have been interrogated, to ensure correct representation on the committee. The outcome of those discussions is that the group now includes representatives from dental services.</p>
<p>Ensure that written schemes of examination are in place for those relevant to the MGPS under the terms of the Pressure Systems Safety Regulations 2000.</p>	<p>Written schemes are in place and constantly being updated by the AP's and scrutinised by the AE.</p>
<p>Ensure all staff using medical gasses receive appropriate training.</p> <p>Only persons trained and noted as competent by the AP should carry out any work on medical gas equipment. This reduces risk significantly, and protects the HB from any adverse incidents through lack of knowledge or training, and ensures only documented persons are able to work on medical gas</p>	<p>Competent Person (CP) refresher training has taken place, and this significantly reduces any risk as only those persons are approved to work on medical gas equipment. New starters have also undergone training</p>
<p><b>Ventilation audit carried out by the Authorising Engineer January 2019. Overall compliance rating – Reasonable Governance Arrangements</b></p>	
<p>There were no major non conformities noted during the audit.</p> <p>Only 2 minor non conformities were noted those being</p> <p>The schedule of competent contractors allowed to work on the hospital air handling units at the Royal Glamorgan Hospital does not name individuals and therefore there is no way of verifying that the persons employed by the contractors are competent or familiar with the site.</p>	<p>Only 1 approved contractor is used on this equipment due to the specialist nature and extensive site knowledge they have .Contingencies are in place to appoint an alternative contractor should the existing company not be available.</p>

	<p>The exercise of verification has been carried out and evidence is available. Contractors follow the Estates contractor policy, and each provides assurances by having Construction line accreditation as a requirement of the policy, this is verified by an Estates officers prior to carrying out work on any Health Board site.</p>
<p>No procedure for the validation of competent persons currently exists.</p>	<p>Competent persons are not appointed on air plant, as the work is contracted out.</p> <p>However if any internal staff work on this system they are technically qualified to do so and this is verified through their qualifications, skill set, knowledge and experience on the equipment. If any general duties are carried out by semi-skilled personnel assurance is made that they have attended water hygiene and legionella awareness training.</p>
<p><b>High Voltage audit carried out by Authorising Engineer January 2019</b>  <b>Overall compliance rating – Reasonable Governance Arrangements</b></p>	
<p>The ETA Projects and NWSSP-SES electrical infrastructure reports highlight the single point failures inherent in the existing installation at Royal Glamorgan Hospital. The health board should continue to manage this risk and ensure appropriate measures are in place until the infrastructure project is complete.</p> <p>This is noted as a major risk to the organisation, and has been identified and documented in the corporate risk register.</p>	<p>This has been identified and noted on the CTMUHB risk register. A Strategic outline business case has been submitted to the Welsh Government for funding. Subject to approval work will commence on site in the Autumn.</p> <p>This risk is currently being managed through the Appointed persons in low voltage at RGH. The team are well trained, qualified and knowledgeable of the site infrastructure, and of the single points of failure. Contingency plans are in place for the points of failure, and maintenance work is regularly carried out to prolong the life of the equipment. Regular generator tests are carried out to support the electrical infrastructure.</p>
<p>East Glamorgan Hospital switchgear is nearing the end of their intended operational life. As the site is now</p>	<p>This is noted in the Capital expenditure 3 year replacement</p>

<p>limited to the laundry building, it may be prudent to renegotiate a low voltage supply direct from the district network operator (DNO) (this would also relieve the maintenance/operational issue with aging HV switchgear). At present this does not form a major risk, but will be replaced to give longevity and resilience to the site for the future activities.</p>	<p>scheme, and will form part of 2020 / 2021 programme.</p>
<p>The number of APs (HV) should be reviewed and additional in-house APs (HV) should be trained and appointed to provide adequate coverage for the four sites. This would also assist in the day to day housekeeping required for routine substation inspections and maintenance.</p>	<p>2 HV AP's have now been appointed to the Health Board since the above assessment. In addition 1 more person has undergone HV training, and is currently awaiting appointment by the Authorising engineer. This will then provide the Board with 3 HV, AP's which the HV Authorising Engineer has agreed will provide sufficient cover. Should additional technical support be required this will be provided by our HV service provider Western Power.</p>
<p><b>Water Safety Audit carried out by Authorising Engineer - December 2017. Overall compliance rating – Reasonable Governance Arrangements. In addition to the Authorising Engineer's report Shared Services Audit and Assurance team carried out an in depth audit on water safety which concluded with a reasonable assurance.</b></p>	
<p>At the time of the report in 2017 there were a number of significant non conformities that required addressing. Those actions have been rigorously addressed over the time since this assessment.</p> <p>Ensure concise water safety policy is prepared and ratified</p>	<p>The water policy has now been written and has been approved by the Water Safety Group (WSG). This document is currently being ratified by the Capital and Estates Governance group for final submission to the Corporate risk committee for approval</p>
<p>Nominate the identified DRPs for assessment and subsequent appointment following the completion of suitable RP training.</p>	<p>Since the audit a considerable amount of training has been undertaken in water safety and awareness.</p> <p>3 persons have attended an accredited training course and appointed as Responsible Person in Water Safety Management which has addressed the short term. Legionella awareness, and water safety training</p>

	<p>has been undertaken across all sites by personnel involved in water management.</p> <p>As part of the training requirement for 2019, 5 more persons have been identified to undertake Responsible Person (RP) water management training.</p>
<p>Ensure action plans from the water safety operational and management arrangement audits are drafted and progressed;</p>	<p>Audit plans have been drafted, and are in the process of continual updating as work is being undertaken to close out any recommendations.</p> <p>In order to further mitigate any risk to the organisation, additional water risk assessments have been carried out at Royal Glamorgan and Prince Charles Hospitals, and action taken to address any minor non conformities found. Actions are in place to carryout additional water risk assessments across all hospital sites as part of the 3 year capital plan.</p>
<p>Ensure that the WSG meets at more frequent intervals and priority given for regular attendance by all members or their representatives. This will ensure issues can be effectively addressed and water safety compliance improved in all areas.</p>	<p>The WSG meets consistently every quarter, and the AE is in attendance at those groups who has noted the improvement in the frequency. Attendance is very good at those meetings, and a register is kept of attendees to address any areas of non-attendance.</p> <p>The WSG actively manages the requirements of WHTM 04-01 to ensure compliance, and reports this through the governance structure.</p>
<b>Low Voltage Audit To be carried out by Authorising Engineer.</b>	
<p>Low Voltage Audit was carried out by Shared Services but the Authorising Engineers took up a post in another organisation prior to issuing the report.</p>	<p>Arrangements are being made for the audit to be undertaken once again.</p>

The Health Board continues to receive summary reports covering each of the statutory mandatory areas from the Authorising Engineer from Shared Services. Outlined below are key areas of progress that have continued during 2018/19 in specific statutory and mandatory issues and reference is also made to areas of remaining work.

***Asbestos:***

- The major programme of asbestos removal at Prince Charles Hospital has been completed at second, third and fourth floor ward levels through the refurbishment programme. The remaining asbestos in the ground and first floors of Merthyr Block will be removed when the final stage is undertaken in the coming years.
- Commissioning of new buildings and disposal or demolition of older buildings has significantly reduced risks associated with asbestos.
- The Directorate has a dedicated Asbestos Surveyor/Compliance Officer who is responsible for asbestos management.
- Continuation of statutory in-house training, as well as 'Toolbox' talks is in place and these regularly update staff on procedures relating to asbestos.

***Water Safety:***

- Progress includes the approval of a Water Safety Policy by the Water Quality Group and Infection Prevention Control Group for the organisation.
- Capital was provided to action the recommendations in the Legionella Risk Assessments.
- Risk assessments were undertaken in RGH and PCH during 2018/19.
- Audit on water safety carried out by Shared services partnership which concluded with a reasonable assurance.

***Ventilation:***

- As a result of the previous critical report on ventilation plants at RGH, a dedicated person is employed to provide daily inspection and maintenance of the plants. A long term action plan is being developed which will require capital investment to eliminate risks permanently.
- The Ventilation Group monitors all critical ventilation plants for the Health Board.
- The Ventilation Policy includes all critical care plants.

### ***High Voltage:***

- The High Voltage Policy for the organisation has been completed and approved by both the relevant compliance group and Estates Governance Group.
- Appropriate maintenance continues to be carried out by an external contractor approved by the Shared Services Authorising Engineer.
- A high voltage survey has indicated that there are potentially seven single points of failure within the high voltage distribution system at Royal Glamorgan. WG have approved the first phase of this which is was the replacement generators and this has been completed

### ***Low Voltage:***

- The Low Voltage Policy has been approved
- Five year electrical testing via the capital programme is continuing throughout the organisation.
- Replacement of fuse boards completed at Dewi Sant and continues at RGH and PCH hospital as part of a rolling replacement programme.

### ***Medical Gases:***

- The Medical Gases Policy has been completed and approved.
- The RGH medical air plant and distribution system have been replaced under capital works and is now compliant.
- PCH - upgrading of the liquid oxygen system to allow for second VIE has been completed
- The Annual Report has now been received from the Authorising Engineer and an action plan is being developed.

### ***Fire Safety:***

- The fire enforcement notice on ground and first floor at PCH has been further extended until the Summer 2019.
- Capital schemes have been put in place to address other aspects of fire safety, including replacement of fire doors across the organisation and upgrade of fire alarm systems to L1 standard.
- On-going emphasis on fire safety training across the Health Board, with particular emphasis on PCH in line with the increased risks associated with that site.
- Additional revenue has been allocated to maintain the fire dampers in the ventilation systems at RGH.

## 9. RISK

The Health and Safety Executive is the national regulator for workplace health and safety for the following key legislation which places legal responsibilities on duty holders in relation to –

- Health and Safety at Work etc Act 1974.
- Management of Health and Safety at Work Act.
- Workplace (Health, Safety and Welfare) Regulations

Cwm Taf has a duty of care under the Health and Safety at Work Act to ensure appropriate engineering governance arrangements are in place and managed effectively.

Welsh Health Technical Memoranda (WHTM) provide best practice standards and policy for the management of this duty. This is considered at all Health Board WHTM compliance groups, and events reported on to ensure governance is in place.

The Estates Department maintains a comprehensive risk register that is reviewed at each Governance meeting and the key risks are attached as **Appendix 7.**



Appendix 7.xls

## 10. TRAINING AND DEVELOPMENT

To ensure that the Directorate has suitably qualified and skilled staff a training & development plan has been developed which captures the requirements of

- Senior Management Team.
- Development needs of the new sub-Teams.
- Statutory training requirements for Authorised Engineers/ persons for High and Low Voltage Electricity, Medical gases, Decontamination, Ventilation and Water Safety.
- Participation in the NHS Wales Planning Skills Framework. The importance of this will be in enabling us to benchmark ourselves against other Health Board Teams to ensure that we adequately skilled and able to drive ambition and best practice across the organisation.
- Addressing any training and development needs which are identified to support implementation of the new business partner model.
- 100% compliance with personal development reviews (PDRs) currently 80% for April 2019; The PDR compliance has been kept at 80% or above over the past 12 months with a high of 95% in August 2018. Managers are sent monthly updates on outstanding PDR's & PDR due the following

month, reports produced to report PDR percentages in Senior Managers Meetings, Operational Management Meetings and Staff Management meetings. PDR meetings are scheduled by the Estates admin team to keep the objective of 100% compliance on schedule.

- Compliance with mandatory training modules provided as part of the CTSF have been maintained over the last 12 months. As at 01<sup>st</sup> March 2019 Equality, Diversity and Human rights is 90.3%, Fire Safety 87.4%, Departmental Fire Safety Training 63.1%, Health, Safety and Welfare 92.2%, Infection Prevention and Control 90.3%, Information Governance Wales 55.3%, Moving and Handling 90.3%, Resuscitation 90.3%, Safeguarding Adults 89.3%, Safeguarding Children 89.3%, Violence and Aggression Wales 98%.
- The Estates and Capital Directorate has a significant requirement for mandatory, statutory and other specialist training to be delivered and maintained for the workforce. To capture these requirements the Directorate training plan is attached as **Appendix 8**.



Appendix 8.pdf

## **11. WORKFORCE**

The key challenge for 2019/20 will be working through the cultural and working practice differences following the integration with Bridgend, as well as establishing the newly appointed teams. With an ageing workforce there will be significant change during the next three years. It will be a considerable challenge responding to the full range of objectives within the plan whilst working through this period of change.

The Estates and Capital Directorate has the oldest age profile within the organisation (shown below), with over 40% of staff being over the age of 55. It is therefore vital that the directorate review the options to address the ageing workforce and present solutions to maintain the service and quality.

The table below highlights the age profile within Estates and Ancillary presents compared to other staff groups within Cwm Taf.

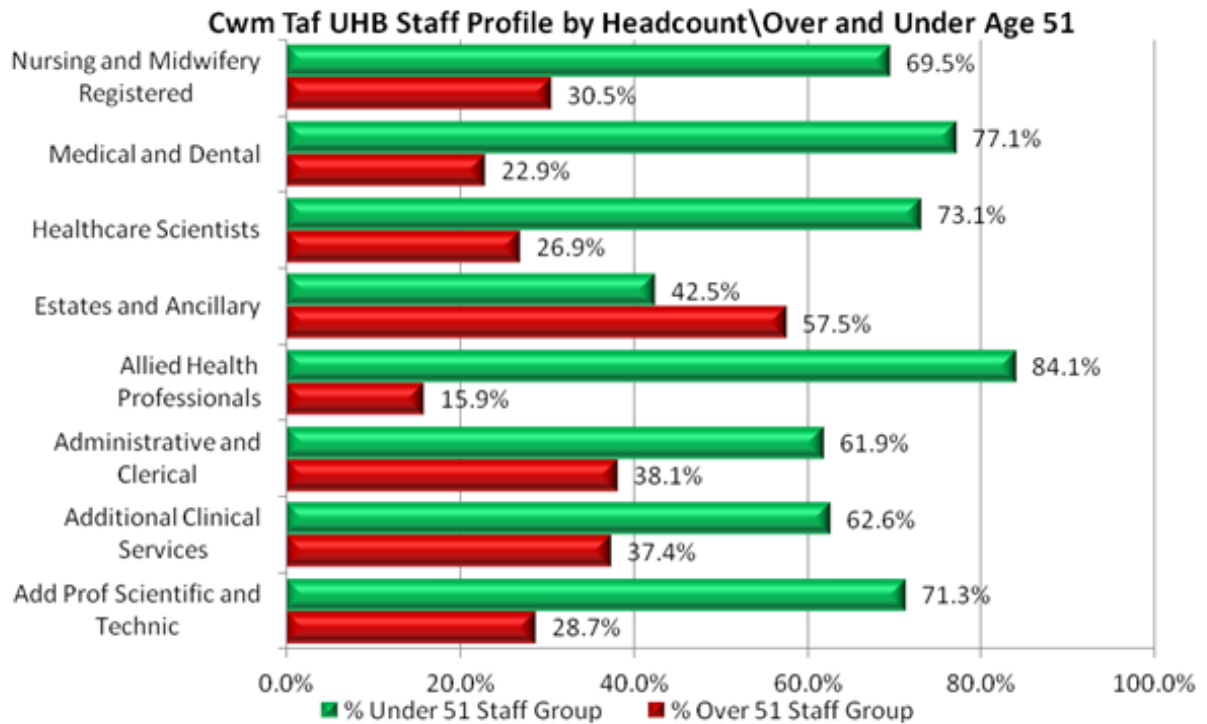
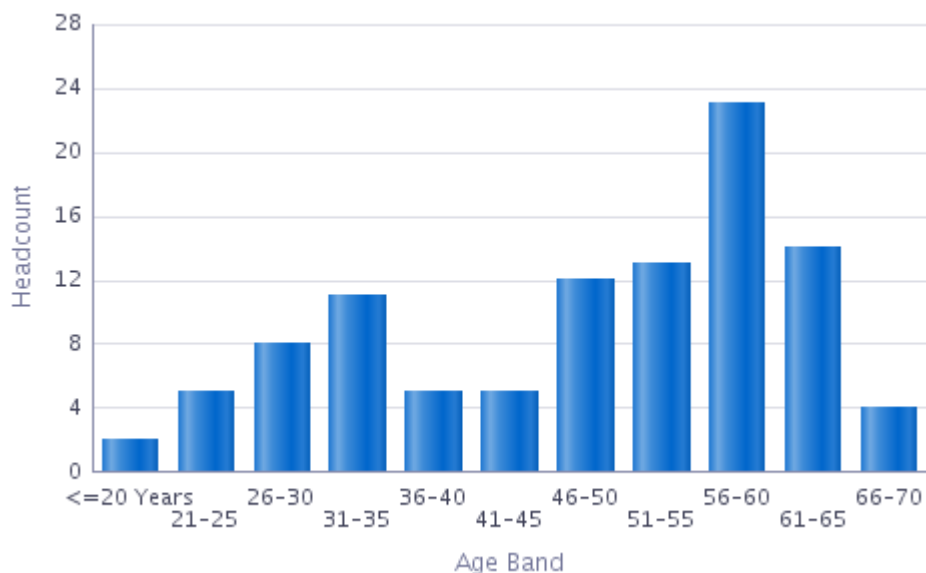


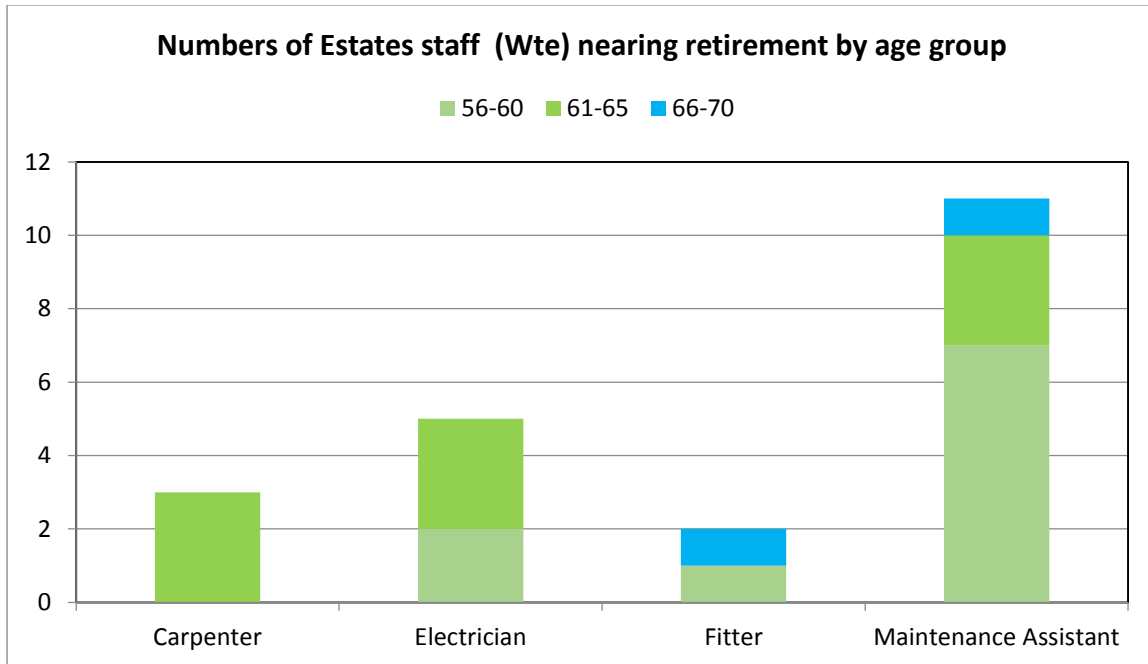
Table A below identifies that the highest risk area for potential retirements are the skilled trades – Maintenance Assistants, Carpenters, Fitters and Electricians, which is demonstrated in table B.

**Table A**



There are 10 skilled staff between the ages of 61-70+. (Table B shows 11 but a carpenter has recently retired)

**Table B**



In 2017/18 the appointed Head of Capital, Head of Estates, Head of Assets, Technical Services and Governance, Senior Operational Estates manager at RGH, Senior Operational Estates manager at PCH and Energy Manager all commenced in post. During 2018/19 this led to the introduction of a revised structure within Capital and a structure to support the Ground and First Floor Project and other projects at PCH. These structures are now bedded in and provide more resilience and capability to respond to requirements within the organisation.

The Estates Department continue to have difficulties with regards to the recruitment and retention of electrical and mechanical skilled employees, although the department has made every effort to recruit and retain suitably skilled staff in the positions, due to remunerations and external competition this is proving to be difficult. It is also clear that the Health Board recognises the future challenges that it will face due to the age profile of the staff within the directorate. The introduction of a Recruitment and Retention Premium (RRP) was introduced in 2017, which has assisted, but still falls short of average earnings being offered by private industry in the surrounding areas, and potential local investment and schemes being considered within the local vicinity of South Wales may drain potential recruitment resources further.

It has been proven, both locally and nationally, that the current labour market is changing for skilled trade occupations and the need for all organisations to employ the most suitably qualified candidates is driving up the wages for these posts which Cwm Taf can no longer compete with. The changes to national pension schemes have also impacted on the recruitment and retention of these skilled posts. Previously the Health

Board could offer benefits of an enhanced pension, but these are now no more favourable than those offered by external organisations.

It is believed that the introduction of the Recruitment and Retention Premium (RRP) is the most appropriate option for the Health Board to support the resolution of the current problems, however moving forward it is felt that the banding structure will also need to be reviewed, given the national issues in recruiting a skilled workforce. It is important that an appropriate remuneration package is available that reflects the current market and recognises the recruitment challenges faced. An application for RRP for mechanical and electrical engineers band 4 and 5 was agreed in 2016. A review of the RRP and its effectiveness in retaining skilled workers was undertaken in 2017-18. In summary, the introduction of RRP has had a positive effect on the roles this was attributed to.

However it is clear that the RRP alone has not gone far enough to close the pay scale gap between the private and public sector. In the short term it has increased the salaries of existing staff who may have potentially looked to have left the NHS to gain greater financial reward for their employment, by offering an increase in salary. Any staff turnover during the coming year will present opportunities to replace vacancies and improve skill mix, but there will not be any reduction in WTE. The Directorate has recognised the skills shortages and discussions are ongoing regarding the appointment of additional apprentices. The department has had a great deal of success in training up apprentices and retaining them when trained, e.g. one of our apprentices has gone on to be successfully appointed as an Operational Estates Manager. To date we have only been able to recruit to two apprenticeships per year because of the nature of the roles as engineers within the specific context of the NHS.

This has meant that their training and supervision has needed to be bespoke to the NHS. Therefore we have been limited to two apprentices per cohort as they have to be supervised and assessed by existing Estates Officers on top of their substantive role so there has not been the capacity to increase numbers. However there is a possibility of a local training provider being able to support the Health Board with this so that we would be able to increase the numbers of apprentices we are in early discussions regarding this.

A staff bank for Estates was set up in 2017 for retirees. To date only retired carpenters have been recruited to the bank and they fill gaps as and when needed. It is more difficult for mechanical and electrical engineers to be retained in a similar way because of the need to maintain statutory and mandatory compliance and their continuing professional development.

## 12. VISION

The Health Board will face many challenges over the coming years with the impact of the boundary change, growth in population, increased costs and significant financial constraints. The next three years will be particularly challenging with further real term reductions in resource allocations over this period. This will present the most significant challenge of this type that the University Health Board has faced to date.

At the same time, the Health Board must continue to ensure that we provide safe and efficient care in the most appropriate location, delivering the best possible outcomes for our patients, by well trained staff that are supported and valued. The underlying IMTP Plan looks to bring all of these complex and important factors into balance.

The addition of Bridgend, to the Health Board will be a major change and whilst change is inevitable within the Health Service, this will be a significant change that will be accompanied with the opportunity for development and improvement for patients, the workforce and partner agencies.

The Board's overarching role is to ensure its Strategy outlined within the 3-Year Integrated Medium Term Plan 2019-2022 and the related organisational objectives aligned with the quadruple aim, are being progressed, these in summary are;

- To **improve** quality, safety and patient experience.
- To **protect** and **improve** population health.
- To **ensure** that the services provided are accessible and sustainable into the future.
- To **provide** strong governance and assurance.
- To **ensure** good value based care and treatment for our patients in line with the resources made available to the Health Board.

It is these five key organisational objectives that drive the work of the Directorate.

The next three years will also bring complex changes within Cwm Taf Morgannwg and also across other Health Boards due to the boundary and South Wales Programme changes. These changes will require significant remodelling of services and clinical leaders and managers will need help to translate ideas into plans.

The vision for the Capital and Estates Department is to provide a high quality, responsive and value for money service to the Health Board. We will continue to work with Directorates to ensure its principles are embedded across the organisation.

In particular, we would hope over the next 3 years to:

- Work with Directorates and Departments to support the major service changes being proposed and implement the agreed Estates Strategy and IMPT plans that support these new services. This is likely to include:
- A programme to deliver benefits identified in the full review of the utilisation of the extended and increased Cwm Taf estate
- Obtain Welsh Government support for the RGH development strategy programme of work to deliver the key projects within the programme
- Introduction of new agile working policies which will improve the use of office and administration areas.
- A reduction in the number of sites owned by the Health Board.
- A reduction in the number of leased buildings.
- Maximise the use of available space.
- On-going improvements to the estate itself to meet current building standards, with a reduction in backlog maintenance.
- Ongoing development and delivery of Major Capital Developments.
- Develop workforce plans and revise structures both within estates and capital that maximise productivity and performance which will benchmark well against similar departments elsewhere.
- Reduce risks through on-going improvements in governance arrangements, including improvements against performance targets and ensuring all statutory and safety obligations are achieved.
- Develop a more responsive service for customers.
- Ensure that strategic links are made between significant service change plans and capital investment. By doing so this will ensure the UHBs capital programme is fully aligned to the service and estate priorities set out in our IMTP and the wider UHB 3 year capital plan and includes a number of schemes which are critical to deliver key service changes.
- Maintain its strong links with WG and NWSSP Capital and Estates teams as availability of Welsh Government strategic capital funding is essential. Many schemes are key enablers for making identified savings and without securing capital funding, the relevant revenue savings within the plans could not be fully achieved.
- Ensure the estate is developed to meet emerging service models.
- Ensure risk adjusted backlog maintenance levels are reduced year on year to a nominal amount by 2021/22.
- Improve energy performance against the 6 national targets, with the 90% target achieved by 2019/20, with a focus on reducing energy consumption which is, reliant on additional capital and revenue investment for such things as LED lighting and boiler replacement. Currently work is ongoing in partnership with Re-fit Cymru to consider how a programme of investment can make the most significant impact on the Health Board performance

- Ensure the cost per square metre is reviewed year on year, to ensure that there is an appropriate level of investment allocated and resource available or the maintenance and operational requirement of its estate.

### **13. KEY PRIORITIES FOR 2019-2022**

The main priorities for the Directorate are as follows:

#### **13.1 Capital Planning Team Priorities**

Specific major schemes development and support to include:

- PCH ground and first floor refurbishment, delivery of Phase 1B within programme and approved funding and approval of the Phase 2 Full Business Case.
- Development of interim Freestanding Midwifery Unit and Paediatric Assessment Unit to provide services at RGH when consultant led services transfer to PCH.
- The delivery of the Specialist Palliative Care Unit on the RGH site. The scheme enables the move of palliative care services currently at Pontypridd and District Cottage Hospital to RGH to support the planned disposal of the Pontypridd site. The scheme is scheduled to complete in autumn 2019.
- A major redesign of services provided from RGH, which will include the development of the 2<sup>nd</sup> phase of the Diagnostic Hub, transfer of palliative care services onto the site, centralisation of breast services and a number of changes arising from the South Wales Programme including the introduction of a permanent freestanding midwifery unit, Paediatric Assessment Unit and Acute Medicine model. A Programme Business Case is due to be submitted to Welsh Government in the summer 2019. An endorsement to the programme will support the development and submission of a series of business justification cases over the next IMTP cycle to secure further WG funding.
- Major radiology modernisation programme to ensure all diagnostic facilities are within their recommended useful life and utilising the best technology available. This will need to incorporate the replacement of the CT at Princess of Wales, together with ongoing requirements to upgrade and replace general room equipment and smaller items of diagnostic equipment such as ultrasounds.
- Development of the second phase of the 'health park' facility on the Dewi Sant site, with a mix of primary and community health care, social care and Third Sector partners using the site for ambulatory care. The business case is programmed to be submitted to Welsh Government by the summer 2019 and it is planned that works will commence in 2019/20 with funding ring fenced from the Welsh Government Primary Care pipeline.



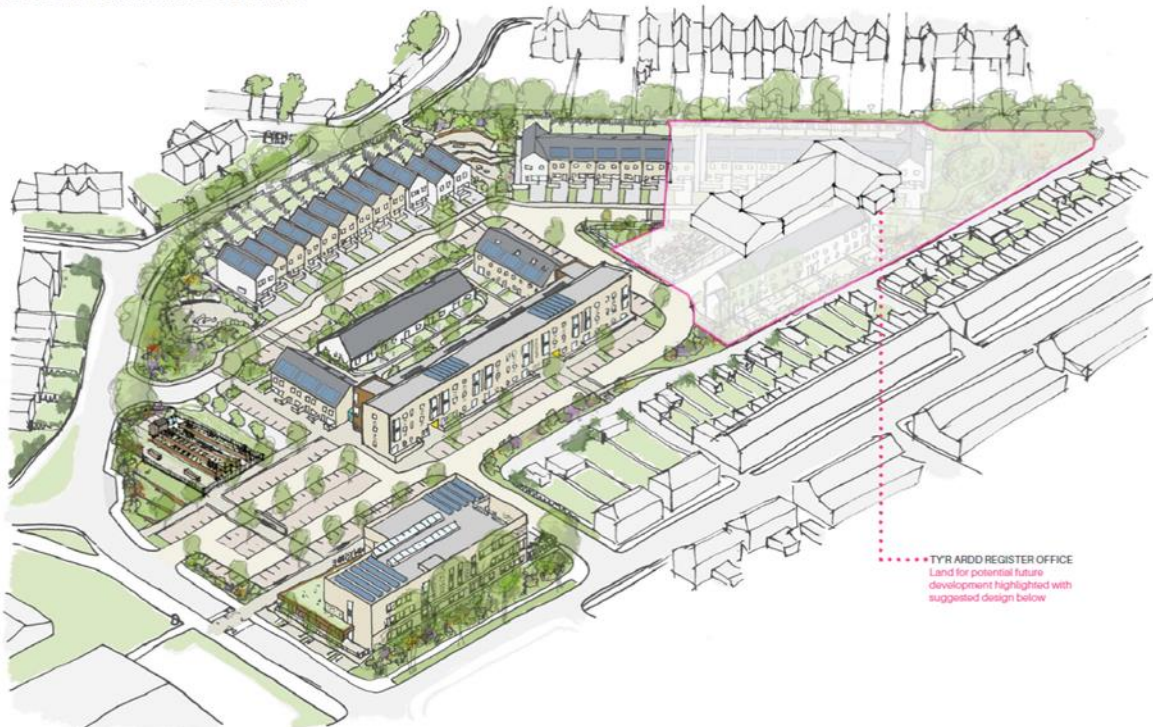
Recently refurbished areas at Dewi Sant Health Park

- Sunnyside Wellbeing centre in the Bridgend area. This project transferred to Cwm Taf Morgannwg in 2019/20 and the Full Business Case will be submitted this year. Approval will enable works to commence in year with funding via the Primary Care Pipeline.

Sunnyside Wellbeing Village, Bridgend

Austin-Smith:Lord

PROPOSED AERIAL SKETCH VIEW OF DEVELOPMENT



Artist's impression of the Sunnyside Wellbeing Centre in Bridgend shown in the lower left hand side of the impression



*Artist's impression of the Sunnyside Wellbeing Centre in Bridgend*

- Ongoing capital support to the ICT led digitisation project which commenced in 2018/19.
- Discretionary Capital schemes driven by CTMUHB wide IMTPs to facilitate improvements in performance and efficiency.
- Major ICT investment to enable the move towards electronic health records, for example including electronic prescribing, mobile working, document management technology, digital dictation and digitisation.
- Energy management improvements to secure revenue reductions and Carbon Reduction Program.
- Delivery of PCH centralised decontamination from the discretionary programme to comply with All Wales Audits of decontamination facilities within the Health Board. Work will also be ongoing to develop a scheme and a business case for a centralised facility in Princess of Wales Hospital.
- Investment to facilitate commercial catering outlets in PCH, Dewi Sant and Ysbyty Cwm Cynon to improve income generation.
- Major engineering infrastructure schemes with a particular focus on RGH including replacement of electrical and mechanical systems, switchgear and air handling plant.



*2 Standby Emergency Generator acoustic enclosures at The Royal Glamorgan Hospital to provide electrical site resilience*



*The Standby Emergency Generators & engines inside the acoustic enclosures at The Royal Glamorgan Hospital*

- Produce a range of Business Justification Cases to improve energy management within the Health Board and the electrical and mechanical infrastructure at RGH and deliver the schemes where funding is approved.
- Review of the Bridgend properties especially the outputs from the 4 facet review to support programme of works to support service transformation and estate improvement for the Bridgend properties. Work will be ongoing in 2019/20 to develop integrated programmes for all properties within the new Health Board boundaries.
- Strategic programme to develop the primary and community care estate.
- Creation of an integrated primary and community care development in Mountain Ash.
- Implementing a programme for asset and plant replacement to ensure that the estate remains at an acceptable level relating to its physical condition and statutory compliance.
- Negotiations with Welsh Government to secure the significant levels of capital to enable change and maintain the estate.
- Continue to review office and support accommodation to ensure optimum use of the estate.
- Work with the Regional Partnership Board to continue to identify opportunities for use of ICF capital funding to support accommodation an provision of services within the partnership boundaries.

- Work with Facilities to consider the residences at PCH, linking in with project leads in other Health Boards over realising possible partnership opportunities with Social Housing Bodies.
- Continuation of a disposal programme, with the disposal of Pontypridd and District Cottage Hospital, Tonteg Hospital and Ystrad Clinic.



*Ystrad Clinic*

- A review of all community premises within the new boundaries to determine whether there are further opportunities for site rationalisation, ensuring that any possible estates revenue savings are identified and secured.
- Complete the implementation of structures within the capital planning team and consider changes to structures to reflect the new portfolio as a result of the boundary changes.
- Work with Public Sector Partners on regional collaboration.

### **13.2 Estates Team Priorities**

Development and implementation of an action plan which will include:

- Review the Statutory/Mandatory Planned preventative maintenance programme (PPM) to ensure it is fit for purpose and identify a revised base line. This to include the inclusion of SFG20, that Shared Services will purchase to assist Health Board in ensuring WHTM standards are met.
- Review of skill mix and current resource within the department, against the revised PPM to ensure it can meet its Statutory and mandatory requirements and develop multi- skilling where possible. This to include the banding levels and operational requirements of Band 2 and Band 3 staffing to meet the service needs.

- Additional apprentices within the Estates department to allow for future employment to assist in the age profile of the department, and assist in the ongoing recruitment issues of attracting good candidates to the HB.
- Ensure that there is sufficient resource to attend to Help Desk and Good Housekeeping demands.
- Progress the training plan that now includes the increased numbers of management to cover AP duties. This is to ensure all statutory training requirements are covered and that Authorised Persons are available for High and Low Voltage Electricity, Medical gases, Decontamination, Ventilation and Water Safety.
- Introduce changes to the operational function with the use of technology (hand held devices).
- Review current on call rotas and if safe to do so reduce the number where possible.
- Review of shift rota cover on the acute sites to establish if 24 hour working is necessary.
- Review of all Building Management Systems across the HB. Many are becoming older and obsolete, and to address energy efficiency requirements, a few will require replacement. The review will highlight where systems require change.
- Continued focus on sickness management so that the Directorate do not exceed the 4.5% organisation target.
- 4 Facet survey required of all mechanical and engineering plant, to fully determine condition and lifecycle replacement frequency and costs, to drive and determine the three year capital asset replacement programme.
- Implementation of additional resources to combat the increasing problems with the ventilation system at RGH, should funding for the full replacement not be forth coming.
- Continuation of benchmarking of costs against English and Welsh Health organisations.
- Develop and agree a customer service improvement strategy within estates, particularly focused on communication and engagement with front line staff.
- Continue to review and ensure value for money for non-pay items within estates department through tendering and renegotiation of contracts.
- Robust management of Asbestos and integration of Registers into the electronic property data base.

### **13.3 Challenges for the Capital team include:**

- The number and scale of business cases required to be produced and submitted in 2019/20 and beyond means that service planning resources will be stretched to the limit. Consideration will need to be given to additional planning support, either secured externally (e.g. through the Healthcare Planner framework) or internally (e.g. through the Programme Management Office). Additional resource is likely to be

needed to deliver the schemes operationally if the cases are approved. Costs for this will be included in the individual business cases.

- The level of skilled workforce to support the delivery of the business case Agenda remains a risk. Whilst efforts are made to recruit it should be noted that there exists a shortage of skilled construction experts in the market at this time.
- Linked to above inflation and rising costs have had an impact on tender values. Large scale construction projects such as Hinckley Point and the Grange Hospital as well as large scale investments in private sector housing are lead to shortages in skilled construction labour. This will impact on costs for construction projects and it is likely to lead to higher costs and less skilled construction operatives being available for capital projects over the next IMTP cycle period.
- The development of the Business Cases and impacts of the delivery of the Ground and First Floor refurbishment at PCH have and continue to require extensive and dedicated support from most Departments and Directorates in the foreseeable future which may be difficult for them to prioritise given the many other pressures on their time.

#### **13.4 Challenges for the Estates team include:**

- The key challenge for 2019/20 will be embedding into place the new management structures implemented across all Health Board sites, and the addition of the Bridgend Estates team and all activities into this new structure. Great strides have been taken over the past few years to standardise all processes and procedures, and to have a better cross site working structure, and as noted focus will be applied to ensure the Bridgend team are also working to the common theme. This has included addressing a number of HR issues, such as long term sickness differing management instructions across sites, and staff working conditions.
- With the addition of the new management positions, to assist in addressing Appointed Person (AP) requirements, there will be significant training implications, extended periods of site familiarisation and SES appointment processes to overcome, to meet the minimum AP requirements against WHTMs. Building & Engineering spend has increased year on year, and will continue to rise, where the teams meet higher completion rates of remedial repairs.
- Coupled with the above is ever increasing difficulty in attracting good quality staff to the Estates teams, mainly in the technical trades, due to significant wage structure gap between NHS pay bands and equivalent private sector salaries. This is somewhat bridged in the RRP payments, but even with this there is still a difference in salaries which is evidenced in the low numbers and standards of persons applying for technical positions within the Estates teams.

### 13.5 Additional challenges

- A need to improve performance against targets relating to estates helpdesk calls and good housekeeping.
- On-going requirement to reduce risk within estates through better management of health and safety and governance issues.
- On-going pressures to reduce levels of sickness within the Directorate (although major improvements recently noted).
- High levels of backlog maintenance across all sites which will need to be addressed either through capital or revenue funding, particularly focused on the RGH which is now 19 years old.
- On-going difficulties with the accuracy and user friendliness of the current estates management software system.
- Issues with the accurate reporting of the lifecycle and condition of Estates assets. In order to have a comprehensive report on the assets, a 4 facet survey should be carried out that would allow for future managing the lifecycle replacement of failing plant.
- Management of the PDR process to ensure performance exceeds the minimum target of 80% throughout the year.
- With the additional Band 6 EO officers appointed, this increases the capacity to meet compliance, but only to the minimum requirements. Further pressure will be applied if AP duties are required in the Fire and Lift disciplines as is widely understood will be implemented by SES.
- Recruitment, morale and retention of staff.
- Prepare for succession planning due to an ageing workforce.
- Recruitment of suitably skilled staff (at all levels) in a very competitive market.

## 14. CONCLUSION

Significant improvements continue to be made to the estate through securing significant investment in major capital schemes and through securing in year increases in allocation of discretionary capital. However, there remain a number of challenges and significant areas where further funding and development work is required to ensure that the estate appropriately supports the organisation's key service objectives, mitigates risks and meets all statutory and mandatory requirements moving into the future.

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