

## **Estates strategy - Phase 1**

**Brent Teaching PCT**

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**Services for life**

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## Executive summary

### Introduction

1. There has been a considerable change in the nature and make up of the estate since the PCT embarked on a wave of investment in new buildings after the agreement of the 2003 Strategic Service Development Plan (SSDP). The PCT is now in the process of completing:
  - The commissioning of a number of these new facilities
  - The disposal of a unsuitable and redundant buildings
  - An assessment of the best way to manage the estate in its new form
2. The PCT is also developing a new service strategy and will need to understand how the emerging service options will impact upon the estate and the extent to which the resulting estate costs may impact on the PCTs ability to implement the strategy quickly.
3. This review is confined to the estate for provider side services. It does not include GP owned premises.

### The requirement for an estate strategy

4. This changing service environment means that the PCT requires an estate strategy to provide:
  - A framework within which to manage the existing estate whilst the new service strategy is being developed (short to medium term)
  - A positive response to the Audit Commission's Use of Resources (UoR) assessment which is undertaken through the Auditors Local Evaluation (ALE) process (short term)
  - An understanding of the likely impact of different future service options identified by the emerging service strategy upon the estate and the consequent impact on finance and the time required for any estate reconfiguration (medium to long term)

### Objectives of this report

5. The primary purpose of this report is to identify short to medium term priorities for the management of the estate whilst the new service strategy is being developed.
6. The report also brings together the findings and actions from these priorities to respond to the Audit Commission's requirements for the ALE assessment of the PCTs use of resources in 2008/09. Sections of this report are structured around the auditor's Key Lines of Enquiry (KLOE) that relate to the estate, showing:
  - The policies and management processes that are in place to address estate issues within the ALE assessment
  - The priorities and actions for the estate that have been identified in this first tranche of work to develop the estate strategy
7. A second phase of work to develop the medium to long term estate strategy will be commissioned separately once this phase of work is completed.

## Key results from this assignment

8. There are four main results from the work to date which are summarised in the table below.

Area	Result
Direction of travel for the management of the estate in the short to medium term	<p>The review has provided a direction of travel for the estate in the short to medium term by making assessments suggesting that the PCT:</p> <ul style="list-style-type: none"> <li>▪ Retains the eight buildings forming its core estate</li> <li>▪ Considers whether to continue to own the five buildings used for learning disabilities as these do not support core PCT activity</li> <li>▪ Addresses the issue of spare capacity in new facilities and what should be made available for provider services or partner organisations or wider community use</li> <li>▪ Assesses whether there is further scope for building rationalisation following this work</li> </ul>
Actions arising from high level benchmarking	<p>The high level benchmarking undertaken has identified priorities for facilities where investment might be appropriate to reduce both energy consumption and the environmental impact of those facilities by using alternative energy technology</p>
Improvements to policies and procedures	<p>A number of areas have been identified where the policies and procedures underpinning the management of the estate could be improved, particularly around:</p> <ul style="list-style-type: none"> <li>▪ Joint working with other bodies on aspects ranging from procurement to use of facilities</li> <li>▪ The development of ongoing performance monitoring</li> </ul>
Response to the Audit Commission's ALE requirements	<p>This report provides a systematic analysis of the PCTs arrangements for managing the estate under the Audit Commission's Key Lines of Enquiry (KLOE). The assessment has covered four KLOE:</p> <ul style="list-style-type: none"> <li>▪ Arrangements for estates that will be assessed in 2008/09</li> <li>▪ The use of natural resources, which will not be assessed until 2009/10, but the PCT wishes to evaluate its performance in this area in advance of the Audit Commission's formal assessment</li> <li>▪ Two KLOE for financial management processes that underpin estate management</li> </ul>

## Next steps

9. The PCT recognises that the end of this current wave of investment in new facilities together with the development of a new service strategy, will present fresh challenges for the management of the estate. The development of a new estate strategy through this assignment represents a timely action to address these challenges.
10. It is recommended that the PCT promptly and effectively addresses these challenges by:
- Implementing the actions identified in this report, which are summarised above
  - Commissioning the second phase of work on the estate strategy to develop a clear link between the PCTs emerging service priorities and its plans for the estate as early as possible.

# 1 Introduction

## 1.1 Background

1.1.1 NHS organisations face continuing pressure to demonstrate sound and effective stewardship. The focus of external reviews of the use of resources covers the whole spectrum of PCT activity from direct patient care to support services and facilities, which includes the management of the estate.

1.1.2 There has been a considerable change in the nature and make up of the estate since the PCT embarked on a wave of new building after the agreement of the 2003 Strategic Service Development Plan (SSDP) with a range of NHS and local government organisations.

1.1.3 The PCT is now in the process of completing:

- The commissioning of a number of new facilities
- The disposal of a unsuitable and redundant buildings
- Assessing the best way to manage the estate in its new form

1.1.4 The PCT is also developing a new service strategy and will need to understand how the emerging service options will impact upon the estate and the extent to which the resulting estate costs may impact on the PCTs ability to implement the strategy quickly.

## 1.2 The requirement for an estate strategy

1.2.1 This changing environment means that the PCT requires an estate strategy to provide:

- A framework within which to manage the existing estate whilst the new service strategy is being developed (short to medium term)
- A positive response to the Audit Commission's Use of Resources (UoR) assessment which is undertaken through the Auditors Local Evaluation (ALE) process (short term)
- An understanding of the likely impact of different future service options identified by the emerging service strategy upon the estate and the consequent impact on finance and the time required for any estate reconfiguration (medium to long term)

1.2.2 The PCT has therefore commissioned Tribal to undertake the development of an estate strategy to address these requirements. This work is split into two parts:

### Phase 1

1.2.3 This first phase will concentrate on demonstrating:

- The actions required to implement the arrangements required for the development of the estate strategy in the short to medium term
- The key focus and priorities arising from the baseline technical assessment of the estate, which will provide part of the evidence required by the ALE approach
- How the Trust's arrangements address the ALE requirements

**Phase 2**

1.2.4 This second phase of work has been planned, but not yet commissioned. The second phase will follow on from Phase 1, but start before the clinical strategy is completed.

1.2.5 The focus of this second phase of work will be to provide a mechanism to allow the PCT to understand the potential impact of different options in the emerging clinical strategy. This phase will involve the development of an Estate Opportunity Matrix to provide high level indicators of the impact on change of the different elements of the estate in areas such as suitability for different types of clinical services, throughput volumes, geographic coverage, likely cost as well as the scale and impact of any capital works required.

1.2.6 This phase would provide support to decisions on future service configurations by showing the relative impact of different service options.

**1.3 Objectives of this report**

1.3.1 The primary purpose of this report is to identify short to medium term priorities for the management of the estate whilst the new service strategy is being developed.

1.3.2 The report also brings together the findings and actions from these priorities to respond to the Audit Commission’s requirements for the ALE assessment of the PCTs use of resources in 2008/09. Sections of this report are structured around the auditor’s Key Lines of Enquiry (KLOE) that relate to the estate, showing:

- The policies and management processes that are in place to address estate issues within the ALE assessment
- The priorities and actions for the estate that have been identified in this first tranche of work to develop the estate strategy

1.3.3 This review is confined to the estate for provider side services. It does not include GP owned premises.

**1.4 Structure of this report**

1.4.1 The report is structured in nine sections, whose contents are summarised in the table below.

**Figure 1 - Structure of this report**

Section	Title	Content
2	Methodology	Sets out the methodology used to develop the estates strategy
3	Developing initial estate priorities	Summarises the key facts and metrics relating to the PCTs current estate and identifies the key short to medium term priorities for the estate
4	Managing assets to achieve strategic priorities (KLOE 3.2)	Response to the KLOE requirement, with planned actions and conclusions
5	Effective use of natural resources (KLOE 3.1)	Response to the KLOE requirement, with planned actions and conclusions

<b>Section</b>	<b>Title</b>	<b>Content</b>
6	Planning finances to deliver strategic priorities (KLOE 1.1)	Response to the KLOE requirement, with conclusions
7	Understanding costs and performance (KLOE 1.2)	Response to the KLOE requirement, with conclusions
8	Action plan	Brings together the actions agreed during this phase of the development of the strategy in a single prioritised action plan
9	Next steps	Confirms the agreed actions to implement the strategy

## 2 Methodology

### 2.1 Introduction

2.1.1 This section of the report summarises the methodology used in the development of the estates strategy. It sets out:

- How the assessment of estate priorities was carried out
- The ALE process and how the estates assessment was used to formulate the PCTs response to the ALE evaluation
- How this assessment forms the core of the PCT response to the ALE process
- Conclusions

### 2.2 How the assessment of estates priorities was carried out

2.2.1 The purpose of the assessment is to:

- Confirm the current content of the PCTs estate portfolio
- Bring together a range of available data for each element of the estate
- Identify the strategies, policies and processes underpinning the management of the estate

2.2.2 A range of data was brought together including

- The most recent six facet survey
- Financial data
- Building management and utilisation information

2.2.3 This information was collated and analysed, with the analysis used as the base data to provide a series of assessments. The outputs from this part of the development process are:

- A series of building factsheets for each building in the core estate
- A detailed Estates matrix, which is available separately from this report.

2.2.4 The analysis and assessments within the matrix were reviewed within a workshop comprising a number of Trust Executive and Estates staff to identify high level priorities and actions for the short to medium term.

2.2.5 The data, analysis, assessments plus the agreed priorities and actions were then brought together to form this report.

## 2.3 Use of resources

2.3.1 The Auditors' Local Assessment (ALE) is a process to consider how each NHS body is managing and using its resources to deliver value for money and provide better and sustainable outcomes for local people. The assessments made by local auditors for each theme also feed into the Healthcare Commission's assessment of NHS bodies' performance.

2.3.2 The assessment is structured into three themes that focus on the importance of:

- Sound and strategic financial management
- Strategic commissioning and good governance
- The effective management of natural resources, assets and people

2.3.3 Auditors assign a score to each theme based on scores from the underlying Key Lines of Enquiry (KLOE) for each theme. The KLOE are supported by characteristics of performance, which are used as criteria used to aid the assessment process.

2.3.4 The assessment is scored in a 1 to 4 scale, with 4 being the highest. The scale is summarised in the table below.

**Figure 2 – Performance levels in use of resources assessment**

Level	Definition
Level 2	Only at minimum requirements – adequate performance
Level 3	Consistently above minimum requirements – performing well
Level 4	Well above minimum requirements – performing strongly

2.3.5 The KLOE are summarised in the table below, showing the four areas relating to the estate that are assessed in this report.

**Figure 3 – KLOE in this report**

Area	KLOE	Directly relevant to Estates?
Managing finances	1.1 – how effectively does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	Shares a number of characteristics with arrangements in estates, therefore considered in this report
	1.2 – does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	Shares a number of characteristics with arrangements in estates, therefore considered in this report
	1.3 – is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	Does not share sufficient number of characteristics with arrangements in estates, therefore not considered in this report

Area	KLOE	Directly relevant to Estates?
Managing resources	3.1 – is the organisation making effective use of natural resources?	Considered in this report although this does not form part of the formal assessment for 2008/09
	3.2 – does the organisation manage its resources effectively to help deliver its strategic priorities and services?	Considered in this report
	3.3 – does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?	Not sufficiently focused on estates to be considered within this report

## 2.4 Conclusions

2.4.1 This section of the report summarises the approach and methodology used to assess the initial estates priorities and shows how this relates to the relevant KLOE within the ALE process. This is a structured and robust approach to developing key estate priorities for the short to medium term, whilst also addressing the Audit Commission’s ALE requirements

### 3 Developing initial estates priorities

#### 3.1 Introduction

3.1.1 This section of the report:

- Provides high level metrics to show key features of the estate
- Summarises the structure and content of the estate
- Develops some high level estates priorities for the short to medium term

#### 3.2 High level metrics

3.2.1 The high level metrics below illustrate the size, nature and diversity of the estate.

**Figure 4 - High level metrics**

Metric	Detail
Net book value (2008/09)	£52.3m
Depreciation	£1.26m
Cost of capital	£1.8m
PFI/Lease charges	£4m
Range of building sizes	300 to 12,600 m2
Estate condition range	Overall A & B, although some elements of C&D
Annual capital programme 2008/09 plan (incl estates and IT)	£3.2m
Annual utility and rates costs paid by the PCT	£1m

3.2.2 There has been significant new build within the estate, reducing the diversity of building types, age and condition. Despite this, the PCT will need to actively manage the estate in the short to medium term to ensure it is optimising the use of facilities, especially the new buildings and targeting any investment to best effect.

#### 3.3 Structure and content of the estate

3.3.1 Although the PCT has invested heavily in new buildings in recent years and reduced the number of buildings owned, the estate remains diverse and dispersed. Appendix A shows the location of buildings in the current estate.

3.3.2 The 2003 estate strategy showed a portfolio of 18 buildings, excluding four owned by the PCT, but used by other providers for learning disability services. Appendix B shows the current estate portfolio, which also contains 18 buildings.

3.3.3 The change in the estate since the last strategy was developed is illustrated in the table below.

**Figure 5 - Status of buildings**

Category		Building
<b>Disposals</b>	Ten buildings disposed of before 2008, not shown in Appendix B	<ul style="list-style-type: none"> <li>■ Helena Rd</li> <li>■ Mortimer Rd</li> <li>■ Perrin Rd</li> <li>■ Pound Lane</li> <li>■ Kingsbury community hospital</li> <li>■ Willesden community hospital</li> <li>■ One Tree clinic</li> <li>■ Hay Lane</li> <li>■ Harrow Rd</li> </ul>
	Five buildings that have been disposed of in 2008 or are in the process of disposal	<ul style="list-style-type: none"> <li>■ Neasden resource centre</li> <li>■ College Rd clinic</li> <li>■ Harlesden health living centre</li> <li>■ Craven Park health centre</li> <li>■ Chalkhill health centre</li> </ul>
<b>Buildings owned by the PCT but used by others</b>	Five buildings owned by the PCT, where services for learning disabilities are delivered by independent providers commissioned by the PCT	<ul style="list-style-type: none"> <li>■ Peel Rd</li> <li>■ Lindsay Drive</li> <li>■ Beachcroft Gardens</li> <li>■ Manor Drive</li> <li>■ Kinch Grove</li> </ul>
<b>New facilities (core estate)</b>	Three new facilities provided through LIFT or PFI	<ul style="list-style-type: none"> <li>■ Sudbury primary care centre</li> <li>■ Monks Park primary care centre</li> <li>■ Willesden Centre</li> </ul>
	Two new facilities under construction	<ul style="list-style-type: none"> <li>■ Chalkhill primary care centre</li> <li>■ Hillside</li> </ul>
<b>Existing facilities (core estate)</b>	Three already owned by the PCT	<ul style="list-style-type: none"> <li>■ Wembley Centre</li> <li>■ Stag Lane</li> <li>■ Kilburn Square</li> </ul>

3.3.4

Thus, although there are 18 buildings in the schedule, only eight of these form the core estate. Of the other ten:

- Five have either been disposed of in 2008 or are in the process of disposal
- Five are owned but not used by the PCT. These buildings are used by independent providers commissioned by the PCT to deliver services for learning disabilities

### 3.4 Developing estate priorities

3.4.1 The nature of the estate has changed significantly since the last estate strategy and SDDP were developed in 2003. The key changes are summarised in the table below

**Figure 6 - Changes in the nature of the estate**

Area	2003 position	Current position (core estate)
Age profile	<ul style="list-style-type: none"> <li>▪ 55% of GIFA over 30 years old</li> <li>▪ Only 2 of the 18 properties less than 30 years old</li> </ul>	<ul style="list-style-type: none"> <li>▪ 97% of GIFA (21,137m<sup>2</sup>, 6 buildings) is less than 10 years old</li> <li>▪ 70% of GIFA (19,568m<sup>2</sup>, 5 buildings) is less than 5 years old</li> <li>▪ Only 3% of GIFA (978m<sup>2</sup>, 2 buildings) is more than 11 years old</li> </ul>
Backlog maintenance	<ul style="list-style-type: none"> <li>▪ Estimated at £2m</li> </ul>	<ul style="list-style-type: none"> <li>▪ Current estimate is £0.87m</li> </ul>
Physical condition	<ul style="list-style-type: none"> <li>▪ 86% of the building stock assessed to be within Category C (sub-standard)</li> <li>▪ 14% within condition D (serious risk of imminent breakdown).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Overall judged to be condition A (is as new and can be expected to perform adequately to its full normal life) and B (is sound, operationally safe and exhibits only minor deterioration) although newer properties have not been formally surveyed</li> </ul>
Functional suitability	<ul style="list-style-type: none"> <li>▪ 75% is in Category D (unacceptable)</li> <li>▪ 25% Category C (sub-standard).</li> </ul>	<ul style="list-style-type: none"> <li>▪ There are some areas requiring health and safety or other safety related work, but with 70% of the estate less than 5 years old, the improvements required are now confined to fewer, smaller buildings</li> </ul>

3.4.2 Having moved from a position where most of the estate was in a poor condition, to one where the condition is essentially satisfactory, the PCT needs to consider its short to medium term priorities before the new service strategy is finalised.

3.4.3 In the short to medium term, the key priorities that need to be considered are:

- Whether the PCT should retain buildings, consider them for alternative ownership or dispose of them (retain, alternative ownership or rationalisation - RAD assessment)
- For buildings that are retained in the portfolio, are these being fully utilised and still required
- Priorities for rationalisation and investment

### 3.5 RAD assessment

3.5.1 We considered the 18 buildings in the estate portfolio and assessed them to confirm whether the PCT should retain the building, consider alternative ownership or dispose of the building (RAD assessment). We concluded that:

- The portfolio of eight buildings forming the core estate should be retained, at least in the short term (assessed as R – retain – marked in red)
- Five buildings were owned by the PCT, but are not used for the delivery of core PCT services. Indeed, the services provided in these buildings are delivered by other providers. We recommend that the PCT consider whether they should continue to directly own these buildings, or whether there would be merit in an alternative ownership model, through some form of joint or shared ownership arrangements (assessed as A – alternative use - marked in amber)
- The decisions to dispose of the five buildings listed in Figure 5 were reasonable based on the condition and use of the building as well as how the disposal fitted in with the PCTs plans for new facilities (assessed as D – disposal - marked in red)

### 3.6 Utilisation, rationalisation and investment

3.6.1 For each building in the core portfolio, we developed a 'building factsheet' summarising a range of data and metrics. This provides an easy to understand summary of each building. These should be updated and developed to form the basis of a monitoring and benchmarking system to continually assess how well the estate is being used. The factsheets are shown in Appendix C.

3.6.2 The conclusions from our analysis of these factsheets were:

- There was significant scope to improve utilisation in both old and new buildings. Willesden, Sudbury and Monks Park all contained either vacant space or space that was poorly used. Stag Lane and Kilburn Square were also underutilised.
- The newer buildings (Willesden, Sudbury and Monks Park) were most suitable for services to be relocated into them because of their age and suitability
- The older buildings (Stag Lane and Kilburn Square) were less suitable for new services or services to be relocated into them because of their lower functional suitability compared to the new buildings and the cost of conversion.

3.6.3 From this, we recommend that the priorities should be:

- Identify the extent of spare capacity in new facilities and what should be made available for provider services or partner organisations or wider community use
- Consider whether services currently in Stag Lane and Kilburn Square should be transferred into new facilities
- Assess whether Stag Lane and Kilburn Square can be redeveloped and used for services in partnerships with the PCTs partner organisations, wider community use or the third sector or whether these buildings should be earmarked for disposal

3.6.4 The results of the RAD analysis, together with the utilisation assessment are summarised in the table below

**Figure 7 - Summary findings: RAD and utilisation**

No	Building	Built	GIFA	R/A/D assessment	Scope to improve utilisation ?	Suitable for services to be relocated into facility?	Unsuitable for new services?
1	Sudbury Primary Care Centre	Due 2008	2,200	R	✓	✓	
2	Chalkhill Health Centre	1970	910	D			
3	Chalkhill Primary Care Centre	Due 2008	1,600	R		Confirm through commissioning plans	
4	Stag Lane Clinic	1935	300	R	✓		✓
5	Monks Park Primary Care Centre	2006	1,168	R	✓	✓	
6	Wembley Centre for Health and Care	1998	7,569	R			
7	Kilburn Square Clinic	1970	678	R	✓		✓
8	Craven Park Health Centre	1970	1,321	D			
9	Willesden Centre for Health and Care	2006	12,600	R	✓	✓	
10	Neasden Resource Centre	1965	681	D			
11	Peel Road	1900	247	A			
12	College Road Clinic	1935	271	D			
13	Hillside	Due 2008	2,000	R		Confirm through commissioning plans	
14	Harlesden Health Living Centre			D			
15	Lindsay Drive			A			
16	Beachcroft Gardens			A			
17	Manor Drive			A			
18	Kinch Grove			A			

### 3.7 Energy, water and waste performance

#### Energy, water and waste

3.7.1 This exercise has analysed a range of existing data relating to energy and the environment assessing the relative position to other organisations using ERIC data as a benchmark (Appendix D).

3.7.2 The conclusion from this analysis was that the level of consumption in four facilities was higher than the benchmark level:

- Stag Lane
- Wembley Centre (HQ)
- Kilburn Square clinic
- Craven Park health centre

3.7.3 The data for Willesden was incomplete and the assessment should be followed up.

3.7.4 Each of these buildings should be assessed during the second phase of the estates strategy, to identify the scope for installing energy saving measures or using alternative energy sources that would reduce energy use and thereby greenhouse gas emissions. Specifically targeting these facilities would increase the likelihood of affecting the organisation's impact on the environment by focusing on buildings that are outliers in terms of energy use.

3.7.5 Using the RAD assessment will also help ensure that investments are targeted at buildings the Trust is likely to retain, rather than dispose of, so the PCT does not invest in facilities it would shortly sell.

#### DEC (Display Energy Certificate)

3.7.6 From September 2008, DEC (Display Energy Certificate) certification will be mandatory for all public buildings over 1,000m<sup>2</sup>. The PCT will be legally obliged to display a DEC in a prominent position within each building over 1,000 m<sup>2</sup> and hold an Advisory Report (AR) for that building.

3.7.7 The benchmarking developed in this phase of the estate strategy has been used to develop an indicative DEC assessment which is shown in Appendix E, together with an example DEC certificate.

3.7.8 It is recommended that the PCT commission DEC certification for the relevant buildings to comply with these requirements.

### 3.8 Developing performance analysis

3.8.1 The building factsheets developed in this phase of the estate strategy can be used as the basis for developing ongoing monitoring processes and performance management measures. Maintaining this information and measuring cost and utilisation on an ongoing basis could be assigned to budget holders as an ongoing responsibility to monitor performance and then identify and address the causes of adverse variances.

3.8.2 It is recommended that the PCT pursue this development, so that when the second phase of work on the estate strategy is completed, the PCT will have a range of targets/measures in place that can be used for such a framework, including:

- Cost (energy and backlog maintenance)
- Utilisation (proportion of facility used for service delivery and available time utilised)
- Service (relating overall costs to service priority areas in a programme budgeting style)

### 3.9 Conclusion

3.9.1 The PCTs estate has changed significantly both in content and quality since the last estate strategy and SSDP were developed. Having moved from a position where most of the estate was in a poor condition, to one where the condition is essentially satisfactory, the PCT needs to consider its short to medium term priorities before the new service strategy is finalised.

3.9.2 The short to medium term estate priorities identified in this section of the report are shown below.

**Figure 8 –Short to medium term estate priorities**

Area	Action
Estate retention	<ul style="list-style-type: none"> <li>■ Retain the portfolio of eight buildings forming the core estate</li> <li>■ Consider whether to continue to own the five buildings used for learning disabilities as these do not support core PCT activity</li> <li>■ Assess whether Stag Lane and Kilburn Square can be redeveloped and used for services in partnerships with the PCTs partner organisations, wider community use or the third sector or whether these buildings should be earmarked for disposal</li> </ul>
Utilisation levels	<ul style="list-style-type: none"> <li>■ Identify the extent of spare capacity in new facilities and what should be made available for provider services or partner organisations or wider community use</li> <li>■ Consider whether services currently in Stag Lane and Kilburn Square should be transferred into new facilities</li> </ul>
Building performance	<ul style="list-style-type: none"> <li>■ Follow up the reasons for adverse variance in energy, water and waste costs to identify whether there is scope for installing energy saving measures or using alternative energy sources that would reduce energy use and thereby greenhouse gas emissions</li> <li>■ Develop monitoring mechanisms and assign responsibility to budget holders for ongoing monitoring of building performance</li> <li>■ Commission DEC certification for the relevant buildings to comply with statutory requirements</li> </ul>

3.9.3 Having identified key priorities for the short to medium term for the estate, the remainder of this of this report shows how the strategy has addressed the KLOE requirements for the ALE assessment.

## 4 Managing assets to achieve strategic priorities (KLOE 3.2)

### 4.1 Introduction

4.1.1 This section of the report summarises the Trust’s response to the first of four ALE requirements examined in this report.

- The ALE requirement for effectively managing assets to achieve strategic priorities
- How the Trust is addressing these requirements
- The agreed key priorities and actions
- Conclusions drawn

### 4.2 ALE requirements

4.2.1 The Audit Commission’s KLOE in this area relates to the effectiveness of the organisations’ management of its assets and how this helps to deliver strategic priorities and service needs. This KLOE relates directly to the way the PCT manages the estate and will form part of the 2008/09 assessment.

4.2.2 The table below summarises the KLOE focus in this area

**Figure 9 - ALE requirement: managing assets**

KLOE	KLOE focus
Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?	The organisation: <ul style="list-style-type: none"> <li>■ has a strategic approach to asset management based on an analysis of need to deliver strategic priorities, service needs and intended outcomes</li> <li>■ manages its asset base to ensure that assets are fit for purpose and provide value for money</li> <li>■ works with partners and community groups to maximise the use of its assets for the benefit of the local community.</li> </ul>

### 4.3 How the PCT is addressing these requirements

4.3.1 The detailed analysis in the following tables shows

- The criteria used to assess the PCTs arrangements
- The arrangements that have already been put in place (retrospective assessment) as well as future plans and actions (prospective assessment)
- Pertinent decisions made relating to the estate as part of this first phase of work to develop the estate strategy
- Responses to both level 2 and level 3 requirements

**Figure 10 – Managing assets to achieve strategic priorities effectively: Level 2**

Criterion	Assessment criteria	PCT response
11	Strategies and plans for assets show how assets will be developed to meet priorities, operational and service needs and outcomes for local communities.	<p><b>Retrospective assessment</b></p> <p>The current wave of estate investment is driven by the service strategy set out in the SSDP (Strategic Service Development Plan), published in 2003. The SSDP identified health needs and service priorities for communities across the three boroughs of Brent, Harrow and Hillingdon.</p> <p>This plan resulted in a significant wave of investments in new facilities in Sudbury, Monks Park and Willesden. This investment phase is now close to completion.</p> <p><b>Prospective assessment</b></p> <p>With a significantly renewed estate, the PCT is now formulating its service priorities in a new service strategy. The aim is to ensure that the PCT understands the implications on the estate and finance of the new strategy and is planning a second phase of this estate strategy to understand the relationship between service options and the estate and costs of implementation. This will provide a medium to long term plan for the estate</p> <p>In the short to medium term, this exercise has generated a number of estate priorities that will be implemented before the new service strategy is finalised and agreed. The service priorities driving this are those of the current service strategy.</p>

Criterion	Assessment criteria	PCT response
12	Financial plans support the delivery of asset strategies, either through investment, disposals, transfers, and rationalisation or by more efficient asset use	<p><b>Retrospective assessment</b></p> <p>Strategic financial plans in recent years have been geared to investment in new estate and disposal of unsuitable facilities, as indicated by the SSDP. Buildings such as Craven Park and Chalkhill health centre have been earmarked for disposal.</p> <p>The PCTs operational financial plans have been focused on best use of the existing estate and the significant elements of the annual capital programme have been focused on immediate priorities for buildings that have been agreed to remain in the PCTs portfolio</p> <p><b>Prospective assessment</b></p> <p>This exercise has assessed the current estate, examining factors such as age, condition, costs, utilisation and service delivery. The evaluation arising from this exercise has suggested actions on which buildings should be retained, disposed of or subject to rationalisation or alternative use/ownership and developed. This will be used as the basis for short to medium term estate and investment plans.</p> <p>There is also a planned second phase of work on the estate strategy that will provide a link between options for the service strategy and the impact of these options on facilities and any estate investments required. This should create an understanding of the estate and financial impact of these options and that estate, finance and service plans are 'lined up'</p>

Criterion	Assessment criteria	PCT response
13	There is managed reduction of high levels of backlog maintenance	<p><b>Retrospective assessment</b></p> <p>The recent investment programme has prioritised new facilities which have reduced the level of backlog maintenance, which has fallen from £2m in 2003 to £0.87m in 2008 across six sites. The PCT continues to invest some £0.2m annually to address backlog maintenance. The disposal of unsuitable facilities has also contributed to reduction in backlog maintenance requirements.</p> <p>The main focus of the capital programme in 2006/07, 2007/08 and planned work for 2008/09 has been to undertake essential maintenance to support continuing use of facilities (Wembley Centre boiler replacement £1m 2006/07) and transfer services out of unsuitable accommodation (Chalkhill 2008/09 £0.3m). The Trust has also consistently addressed backlog maintenance each year since the last estates survey in 2003, apart from 2007/08, when expenditure on backlog maintenance was deferred due to extraordinary financial pressures.</p> <p><b>Prospective assessment</b></p> <p>The future priorities for addressing backlog maintenance in the short to medium term will be driven by decisions made in the RAD analysis as part of this exercise.</p>
14	Capital investment is targeted to achieve best value and maximum effect on priorities, needs and outcomes for local communities	<p><b>Retrospective assessment</b></p> <p>The recent wave of investment was developed to achieve precisely these ends as demonstrated in the SSDP, which assessed the population’s needs and requirements, service priorities and the outcomes required (See also criterion 11). This was a joint plan with three London Boroughs of Brent, Hillingdon and Harrow, North West London Mental Health trust, North West London Hospitals, Hillingdon Hospital, London Ambulance Service and supported by North West London SHA.</p> <p>Business cases were developed to support these investments.</p> <p><b>Prospective assessment</b></p> <p>With the final commissioning of new facilities from the current wave of investment in 2008/09, the PCTs focus will shift to the new service strategy and the investments required to implement the new priorities. The second phase of the Estate Strategy will help link the service and estate strategies, clarifying the investment required and the service outcomes investments will be linked to.</p>

Criterion	Assessment criteria	PCT response
15	Policies, decision-making structures and roles underpin the management of assets as a corporate resource	<p><b>Retrospective assessment</b></p> <p>Management arrangements are clear and effective, with estates identified as one of the PCTs corporate priorities including finance and human resources. The investment process is managed through the Capital Group which bears the characteristics of good governance with:</p> <ul style="list-style-type: none"> <li>▪ Clear leadership from the top – the group is chaired by the Chief Executive</li> <li>▪ Involvement across the organisation – key directors covering corporate and service portfolios attend</li> <li>▪ A focus on organisational priorities – decisions made are undertaken with reference to the PCTs strategic priorities, providing a clear policy framework for those decisions</li> </ul> <p><b>Prospective assessment</b></p> <p>The structures and roles in place work well and will continue to operate.</p> <p>The next challenge will be to develop the new service strategy and link this to estate priorities. The second phase of the estate strategy is designed to do this by developing an analysis to show how each building relates to and can support the emerging service priorities. The PCT will therefore be able to see how the different options for services impact upon the estate and vice versa</p>
16	The organisation has comprehensive information on assets which supports its strategies, and decision-making on investment and disinvestment	<p><b>Retrospective assessment</b></p> <p>The PCT has recognised the need to bring together a comprehensive range of information and the systematic analysis of that data underpins this first phase of the estate strategy.</p> <p>The analysis, which is in a separate estates matrix and summarised in building factsheets has been used to develop a high level framework to suggest which parts of the estate merit additional investment, those that should be retained, considered for alternative ownership or disposed of (RAD assessment). This evaluation will be used to drive short to medium term decisions on the estate until the new service strategy is finalised and its implications on the estate understood.</p> <p><b>Prospective assessment</b></p> <p>The second phase of the estate strategy will address any gaps in the data and provide more up to date information for example through condition surveys. Linking this more detailed analysis to the emerging service strategy will provide a clear link between estate investment and service priorities</p>

Criterion	Assessment criteria	PCT response
17	The performance of assets is managed, benchmarked and monitored against targets for improvement	<p><b>Retrospective assessment</b></p> <p>This phase of the strategy has examined performance in areas such as energy use and building utilisation to feed into the RAD framework. The results of the benchmarking exercise are shown in Appendix D, together with an indicative DEC (Display Energy Certificate) assessment which is shown in Appendix E. DEC certification will be mandatory from September 2008 for all public buildings over 1,000m<sup>2</sup>. The PCT will be legally obliged to display a DEC in a prominent position within each building over 1,000 m<sup>2</sup> and hold an Advisory Report (AR) for each building.</p> <p>This performance analysis will be developed into performance measures and responsibilities will be assigned to budget holders to monitor performance and to identify and address the causes of adverse variances in performance.</p> <p><b>Prospective assessment</b></p> <p>When the second phase of work is completed, the PCT will; have a range of targets/measures in place including:</p> <ul style="list-style-type: none"> <li>■ Cost (energy and backlog maintenance)</li> <li>■ Utilisation (proportion of facility used for service delivery and available time utilised)</li> <li>■ Service (relating overall costs to service priority areas in a programme budgeting style)</li> </ul>

**Figure 11 – Managing assets to achieve strategic priorities effectively: Level 3**

Criterion	Assessment criteria	PCT response
<p><b>18</b></p>	<p>The organisation challenges whether all its assets are required, fit for purpose and provide value for money to meet current and future needs. Under-performing or surplus assets are rationalised or disposed of.</p>	<p><b>Retrospective assessment</b></p> <p>This first phase of the estate strategy has challenged the nature and use of existing facilities assessing issues such as fitness for purpose, functional suitability, utilisation, DDA compliance and cost. The results of this analysis have provided a framework for action and investment in the short to medium term through the RAD assessment.</p> <p><b>Prospective assessment</b></p> <p>Using the RAD assessment process, the PCT will be able to</p> <ul style="list-style-type: none"> <li>▪ Make short to medium term decisions within the current service framework</li> <li>▪ Relate decisions on the estate to future service strategy to understand the impact of different service options on the estate and vice versa and what the cost implications of service decisions might be and their knock on impact on service priorities</li> </ul>
<p><b>19</b></p>	<p>The organisation evaluates the best option for significant investment decisions in property developments using option appraisal and whole life costing techniques.</p>	<p><b>Retrospective assessment</b></p> <p>The PCTs policy is that significant investment decisions are supported by a business case that complies with the Capital Investment manual and Treasury Green Book requirements. A standard template has been developed showing the requirement to demonstrate:</p> <ul style="list-style-type: none"> <li>▪ Need</li> <li>▪ Benefit realisation plans</li> <li>▪ Financial analysis</li> <li>▪ Investment appraisal using techniques such as cost/benefit analysis, payback and economic analysis (NPV/EASC)</li> </ul> <p>The Capital Group acts as a filter/reference point to ensure that the appropriate level of analysis is applied to all schemes.</p> <p><b>Prospective assessment</b></p> <p>Continue to use this process</p>

Criterion	Assessment criteria	PCT response
20	<p>The organisation is developing a strategic approach to working with others, for example, the third sector, local public agencies and community groups, to identify opportunities for shared use of assets, and alternative options for the management and ownership of its assets, to derive wider community benefits</p>	<p><b>Retrospective assessment</b></p> <p>The SSDP represented a significant multi organisation and cross sector (NHS and local government) piece of work to identify priorities for the recent wave of investment.</p> <p><b>Prospective assessment</b></p> <p>The PCT recognises that with services being more focused on patients and less on delivery through organisational silos, the use, management and ownership of assets will in future therefore need to reflect service delivery patterns.</p> <p>Actions being considered by the PCT to address these issues include:</p> <ul style="list-style-type: none"> <li>▪ Review of potential ownership of a range of assets identified in this review including Peel Road, Lindsay Drive, Beachcroft Gardens, Manor Drive and Kinch Grove</li> <li>▪ Developing closer working relationships with LB Brent. Informal discussions have been held already at a senior level to consider how the possible relocation of the PCTs HQ function could be undertaken within a partnership arrangement</li> <li>▪ How centres in Hillside and Chalkhill can be linked to wider community use as they are located close to residential properties and have education centre and café facilities there</li> </ul>

Criterion	Assessment criteria	PCT response
<p><b>21</b></p>	<p>The organisation is improving the performance of its assets to provide buildings that:</p> <ul style="list-style-type: none"> <li>▪ are fit for purpose</li> <li>▪ deliver better access and outcomes for the community</li> <li>▪ improve value for money</li> <li>▪ mitigate adverse impacts on the environment and prepare for climate change</li> </ul>	<p><b>Retrospective assessment</b></p> <p>A fitness for purpose assessment was part of the RAD evaluation shown in Appendix D.</p> <p>Access for the wider community for Sudbury and Monks Park has already been discussed and addressed (see criterion 17). Issues around environmental impact are covered under KLOE 3.1 in the next section of this report.</p> <p><b>Prospective assessment</b></p> <p>The performance of assets in the medium to long term must be related to the services delivered there and, use by partner organisations within the framework of the emerging service strategy which has not yet been completed.</p> <p>The objective of this strategy is to improve the performance of the PCTs assets. Short to medium term actions have already been identified which include:</p> <ul style="list-style-type: none"> <li>▪ Ensuring Monk’s Park is properly utilised once the building is fully occupied and commissioning is completed</li> <li>▪ Hillside and Chalkhill’s access for multi agency use is addressed</li> <li>▪ Identify the scope for multiagency use in Kingsbury and the knock on impact for Stag Lane</li> </ul> <p>Implementing these actions will help to ensure the buildings provided are optimal by targeting and prioritising investment and building use to maximum effect</p>

## 4.4 Key priorities and actions

4.4.1 The key estate priorities and action arising from this review are to:

- Use the RAD assessment to provide overall direction for the estate strategy in the short to medium term. This assessment shows which facilities the PCT should retain, consider for alternative ownership or dispose of, as well as scope for rationalisation (criterion 16)
- Implement the short to medium term actions identified to improve utilisation which may include the wider community as well as partner organisations (criterion 21)
- Use the energy and DEC benchmarking analyses to target investments made to reduce energy consumption (criterion 17)
- Commission DEC certification for relevant buildings to comply with statutory requirements (criterion 17)

## 4.5 Conclusions

4.5.1 This assessment shows that the PCT does effectively manage its assets to deliver its strategic priorities and service needs, with the following noteworthy points:

- The approach in recent years has been driven by the SSDP to provide a link between service priorities and estate investment
- The PCT has actively managed its asset base through the investment and capital programmes. The development of this strategy confirms the PCT's ongoing commitment to effective asset management
- The SSDP process demonstrates the PCT history and commitment to working with partner organisations across the NHS and local government

4.5.2 As the new service strategy is developed the PCT's estate requirements may change, but the requirements will continue to be driven by and linked to the PCT's service priorities and service needs.

## 5 Effective use of natural resources (KLOE 3.1)

### 5.1 Introduction

5.1.1 This section of the report summarises the Trust’s response to the second of four ALE requirements examined in this report. This section shows:

- The ALE requirement for the effective use of resources (KLOE 3.1)
- How the Trust is addressing these requirements
- The agreed key priorities and actions
- Conclusions drawn

### 5.2 ALE requirements

5.2.1 The Audit Commission’s KLOE in this area relates to how the organisation makes effective use of natural resources. This KLOE relates directly to the way the PCT manages the estate but does not form part of the 2008/09 assessment. The evaluation is included within this report as it demonstrates that the PCT is actively managing this aspect of its activity and performing well against the KLOE criteria. The table below summarises the KLOE focus in this area

**Figure 12 - ALE requirement: use of natural resources**

KLOE	KLOE focus
Is the organisation making effective use of natural resources?	The organisation: <ul style="list-style-type: none"> <li>■ Understands and can quantify its use of natural resources and can identify the main influencing factors</li> <li>■ Manages performance to reduce its impact on the environment</li> <li>■ Manages the environmental risks it faces, working effectively with partners.</li> </ul>

### 5.3 How the PCT is addressing these requirements

5.3.1 The detailed analysis in the following tables shows:

- The criteria used to assess the PCTs arrangements
- The arrangements that have already been put in place (retrospective assessment) as well as future plans and actions (prospective assessment)
- Pertinent decisions made relating to the estate as part of this first phase of work to develop the estate strategy
- Responses to both level 2 and level 3 requirements

**Figure 13 –Effective use of natural resources: Level 2**

Criterion	Assessment criteria	PCT response
<p><b>4</b></p>	<p>The organisation is developing a strategic approach to reducing the organisation’s impact on the environment, for example:</p> <ul style="list-style-type: none"> <li>■ Its use of energy, fuel, water and raw materials</li> <li>■ Reducing the waste it produces, and reusing and recycling resources</li> <li>■ Reducing its green house gas emissions</li> <li>■ Increasing biodiversity</li> </ul>	<p><b>Retrospective assessment:</b></p> <p>This exercise has analysed a range of existing data relating to energy and the environment assessing the relative position to other organisations using ERIC data as a benchmark (Appendix E).</p> <p>The conclusion from this analysis was that the level of consumption in four facilities was higher than the benchmark level:</p> <ul style="list-style-type: none"> <li>■ Stag Lane</li> <li>■ Wembley Centre (HQ)</li> <li>■ Kilburn Square clinic</li> <li>■ Craven Park health centre</li> </ul> <p>The recommendation arising from this analysis was that each of these buildings should be assessed during the second phase of the estates strategy, to identify whether there would be scope for installing energy saving measures or using alternative energy sources that would reduce energy use and thereby greenhouse gas emissions. Specifically targeting these facilities would increase the likelihood of affecting the organisation’s impact on the environment as this would target buildings that are outliers in terms of energy use.</p> <p>The data for Willesden was incomplete and the assessment should be followed up in further work.</p> <p>There are also already policies in place to encourage ‘good housekeeping’ measures relating to use of energy and reduction of waste, which are being encouraged. There are also regular collections of recyclable waste from most of the PCTs facilities</p> <p><b>Prospective assessment</b></p> <p>This exercise has also included an evaluation of each building in the estate to assess whether it is suitable for further investment, should be disposed of or might be suitable for rationalisation (RAD assessment – see criterion 16). This assessment will also help ensure that investments are targeted at buildings the Trust is likely to retain, rather than dispose of, so the PCT does not invest in facilities it would soon dispose of.</p>

Criterion	Assessment criteria	PCT response
5	The organisation shows evidence of working with others across its area in developing its strategy	<p><b>Retrospective assessment</b></p> <p>The PCT has worked with other stakeholders in the past on a number of initiatives to develop its strategy. An excellent example of this is the Willesden development where the PCT has worked with stakeholders on bus routes to improve access and with other agencies to formulate a joined up approach to services</p> <p><b>Prospective assessment</b></p> <p>The Trust has also considered how it can work with other organisations:</p> <ul style="list-style-type: none"> <li>▪ As part of this review, the PCT has identified a number of facilities where ownership could be transferred or the facility jointly managed as the services at these premises are delivered by other providers (Peel Road, Lindsay Drive, Beechcroft Gardens, Manor Drive and Kinch Grove)</li> <li>▪ The assessment of facilities at Chalkhill and Hillside indicate that there may be scope for working with other parties to assess the most effective way of jointly using these facilities with others in the future. This will be taken up as an action in the next phase of work on the estate and as a development priority</li> </ul>
6	The organisation is identifying the significant environmental risks it faces, such as potential future changes in climate, and developing plans with key partners to mitigate and manage them	<p><b>Retrospective assessment</b></p> <p>The key environmental risks around the current estate relate to the use of energy, the level of waste generated and its impact on the environment. The PCT has already:</p> <ul style="list-style-type: none"> <li>▪ Identified significant energy users within this exercise and identified action to address this issue</li> <li>▪ Disposed of five sites in the past 18 months that were not fit for purpose and had a significant adverse environmental impact</li> </ul> <p><b>Prospective assessment</b></p> <p>In future additional environmental impact will be generated by new buildings and developments arising from the materials and construction methods used as well as the environmental standards to which these facilities are built. To address this, the PCT is considering how to:</p> <ul style="list-style-type: none"> <li>▪ Identify the likely impact of materials and construction methods for new facilities at the procurement stage</li> <li>▪ Work with partners and procure through shared service arrangements for both energy (to reduce cost) and construction/refurbishment (capital investment likely to have an environmental impact) to standards that show the environmental impact of investments and the cost of ameliorating this impact</li> </ul>

**Figure 14 –Effective use of natural resources: Level 3**

Criterion	Assessment criteria	PCT response
7	The organisation is implementing its plans to deliver its strategic approach. It is embedding arrangements to reduce its environmental impact and working effectively with partners in developing, implementing and monitoring plans	<p><b>Prospective assessment</b></p> <p>This is part of an ongoing process that has begun with this strategy as a first stage to bring together in a coherent way a range of measures and processes both within the organisation and with partner bodies</p> <p>The second stage will be to develop a more transparent link between services and the estate as the PCTs service strategy emerges later in 2008/09.</p> <p>Alongside this, the PCT will be developing arrangements with partner organisations to work together where possible on services and estate to provide an effective linked approach. This should help to assess and minimise the environmental impact from services and facilities used both within and across organisations through joint working and the resulting economies of scale</p>
8	The organisation has reliable information which it uses to monitor its performance and manage progress in achieving its objectives for reducing its impact on the environment	<p><b>Prospective assessment</b></p> <p>This area is still being developed, but as a result of this strategy and further work planned, the PCT is developing:</p> <ul style="list-style-type: none"> <li>▪ Consistent base of data for future monitoring</li> <li>▪ Priorities based on the assessments in Appendices E and F to maximise the impact of action taken</li> <li>▪ Targets to monitor against</li> </ul>

Criterion	Assessment criteria	PCT response
<p><b>9</b></p>	<p>Early evidence demonstrates that the organisation is on course to reach the outcomes it has set itself, for example:</p> <ul style="list-style-type: none"> <li>▪ Reductions in the use of energy, fuel, water and raw materials</li> <li>▪ Reduced its waste and increased recycling and reuse</li> <li>▪ Reducing green house gas emissions</li> <li>▪ Increased biodiversity</li> </ul>	<p><b>Prospective assessment</b></p> <p>It is still too early in the process to provide evidence, but the PCT is confident that the arrangements being put in place are robust enough to deliver these outcomes</p>

Criterion	Assessment criteria	PCT response
10	The organisation considers the environmental impact of its suppliers of goods and services within its commissioning and procurement decisions and is working with them to achieve improvements	<p><b>Prospective assessment</b></p> <p>The PCT has developed a number of planned actions it will implement in 2008/09:</p> <ul style="list-style-type: none"> <li>▪ Strategy – as part of the option assessment for major investment decisions, the process will include an environmental impact as a criterion to evaluate the merits of new build against refurbishment</li> <li>▪ Service commissioning – The PCT will stipulate that the provider arm must have implemented an environmental impact assessment and demonstrate improvement in it’s environmental positions part of a ‘balanced scorecard’ approach</li> <li>▪ Procurement – suppliers should demonstrate the that they have considered the use of low environmental impact materials and techniques and can show the costs and benefits of these alternatives</li> <li>▪ Work with other bodies, primarily the London Borough of Brent to develop similar strategies to provide a ‘unified environmental market’ for suppliers that:               <ul style="list-style-type: none"> <li>a) Encourages sustainable practices</li> <li>b) Generates economies of scale through joint procurement of day to day services as well as energy saving technology</li> <li>c) Provides an environmental rating for suppliers which is shared between partner organisations as part of the procurement process</li> </ul> </li> </ul>

## 5.4 Key priorities and actions

5.4.1 The key estate priorities and actions arising from this part of the assessment are:

- Identify the causes of high energy consumption and assess the most appropriate action/investment required (criterion 4)
- Develop a consistent database with targets and a monitoring process for energy use (criterion 8)
- Develop joint working arrangements to widen the use of facilities, particularly Chalkhill and Hillside (criterion 5)
- In conjunction with partner organisations, implement the planned actions to make the environmental impact of PCT activity more explicit, without being burdensome (criteria 6 and 10)

## 5.5 Conclusions

5.5.1 Although this KLOE will not be evaluated by auditors in 2008/09, the PCTs responses to the assessment criteria show that the PCT is already meeting many of the requirements and has plans in place to address those areas where arrangements are not complete or fully implemented.

5.5.2 This assessment confirms that the PCT is performing above the minimum requirements in a number of areas within this KLOE.

## **6 Planning finances to deliver strategic priorities (KLOE 1.1)**

### **6.1 Introduction**

6.1.1 This section of the report summarises the Trust’s response to the third of four ALE requirements addressed in this report. This section shows:

- The ALE requirement for planning finances to deliver strategic priorities (KLOE 1.1)
- How the Trust is addressing these requirements
- Conclusions drawn

### **6.2 ALE requirements**

6.2.1 The Audit Commission’s KLOE in this area relates to how the organisation plans its finances effectively to deliver its strategic priorities and secure sound financial health.

6.2.2 This KLOE is not a direct part of the estate evaluation, nevertheless there are a number of features within the assessment criteria that do relate to the way that the financial aspect of the estate are managed. This KLOE has therefore been included within this report with reference to KLOE 3.2 and 3.1 where appropriate.

6.2.3 The table below summarises the KLOE focus in this area

**Figure 15 - ALE requirement: planning finances**

KLOE	KLOE focus
Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	The organisation integrates financial planning with strategic and service planning processes on a medium-to long-term basis

### **6.3 How the PCT is addressing these requirements**

6.3.1 The detailed analysis in the following tables shows:

- The criteria used to assess the PCTs arrangements
- The arrangements that have already been put in place as well as future plans and actions
- References to decisions made relating to the estate as part of this first phase of work to develop the estate strategy
- Responses to both level 2 and level 3 requirements

**Figure 16 – Planning finances to effectively deliver strategic priorities: Level 2**

Criterion	Assessment criteria	PCT response
<b>1a</b>	Medium term financial planning and annual budgeting reflect the organisation’s strategic objectives and priorities for the year and longer-term and the assumptions on which they are based are clearly stated.	<p>Service and financial priorities have been driven by the SSDP and achieved with:</p> <ul style="list-style-type: none"> <li>▪ New build at Sudbury, Monk’s park, Willesden and Hillside</li> <li>▪ Disposal of Perrin Rd, Mortimer Rd and Helena Rd</li> <li>▪ Investment in existing buildings</li> </ul> <p>Short to medium term priorities will continue to be driven by the current service strategy, whilst the medium to long term priorities will depend on the emerging service strategy</p>
<b>1b</b>	The financial and corporate planning processes are integrated, linked to risk management, and incorporate strategic planning for other resources such as assets, capital and human resources. The planning processes are understood and contributed to by managers.	The PCTs response to criterion 11 shows how the service plans within the SSDP have driven the PCTs investment plans for assets in recent years. Criterion 12 shows the link to operational financial plans, with criteria 15 and 19 demonstrating the soundness of management arrangements, structures and processes which underpin the PCTs policies

**Figure 17 – Planning finances to effectively deliver strategic priorities: Level 3**

Criterion	Assessment criteria	PCT response
<b>2a</b>	The organisation involves external stakeholders, (for example bodies that have joint working arrangements or partnerships with the organisation) in the financial planning process in order to deliver organisational and shared objectives.	<p>Criterion 11 shows how the PCT has worked with other bodies to develop service strategies and the resulting financial plans</p> <p>Criterion 20 shows an example of planned partnerships and links with other stakeholders relating to use of facilities</p> <p>The actions in section 5.4 of this report demonstrate the PCTs commitment to developing joint working and planning</p>

## **6.4 Key priorities and actions**

- 6.4.1 The PCTs responses in this section of the report reflect those in earlier parts of the report and have not created the requirement for additional priorities and actions.

## **6.5 Conclusions**

- 6.5.1 KLOE 1.1 examines how the organisation plans its finances effectively to deliver its strategic priorities and secure sound financial health. This does not form part of the estate strategy, but the assessment does nevertheless demonstrate that the financial planning processes that are used to underpin the estate strategy are sound and at a level 2 standard.

## 7 Understanding costs and performance (KLOE 1.2)

### 7.1 Introduction

7.1.1 This section of the report summarises the Trust’s response to the fourth and final ALE requirements addressed in this report. This section shows:

- The ALE requirement for understanding costs and performance (KLOE 1.2)
- How the Trust is addressing these requirements
- Conclusions drawn

### 7.2 ALE requirements

7.2.1 The Audit Commission’s KLOE in this area relates whether the organisation has a sound understanding of its costs and performance and strives to achieve efficiencies in its activities. This KLOE is not a direct part of the estate evaluation, nevertheless there are a number of features within the assessment criteria that do relate to the way that the financial aspect of the estate are managed. This KLOE has therefore been included within this report with reference to KLOE 3.2 and 3.1 where appropriate.

7.2.2 The table below summarises the KLOE focus in this area

**Figure 18 - ALE requirement: costs and performance**

KLOE	KLOE focus
Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	The organisation: <ul style="list-style-type: none"> <li>■ understands its costs, including whole life, transaction and unit costs, the main factors that influence these and how they link to performance</li> <li>■ takes account of this understanding of its costs and performance in decision making and commissioning</li> <li>■ identifies the scope for making efficiencies and is on track to achieve planned efficiencies</li> </ul>

### 7.3 How the PCT is addressing these requirements

7.3.1 The detailed analysis in the following tables shows:

- The criteria used to assess the PCTs arrangements
- The arrangements that have already been put in place as well as future plans and actions
- References to decisions made relating to the estate as part of this first phase of work to develop the estate strategy
- Responses to both level 2 and level 3 requirements

**Figure 19 – Understanding costs and performance: Level 2**

Criterion	Assessment criteria	PCT response
<b>3a</b>	The organisation is working to understand what costs it incurs, the main factors that influence these, how they change with activity and over time.	A key element of the development of the estate strategy is the work to systematically analyse the factors influencing costs and propose actions to address the root causes of adverse cost patterns (criteria 16, 17, 18 and 4)
<b>3b</b>	Information used for decision making includes: <ul style="list-style-type: none"> <li>▪ whole life, transaction and unit costs</li> <li>▪ comparisons between costs and quality of services</li> <li>▪ comparative information (with others and over time) on costs in priority and high spending areas</li> <li>▪ analysis of pay and pension costs</li> <li>▪ analysis of need.</li> </ul>	Robust arrangements are in place for decision making using a range of best practice techniques (criterion 19)
<b>3c</b>	The organisation reviews its costs to assess whether they are commensurate with the range, level and quality of services provided. Areas of high cost are identified and scrutinised on a regular basis to ensure that the organisation is achieving value for money.	As criterion 3a above
<b>3d</b>	Costs for key services are not significantly higher than other organisations providing similar levels and standards of services, allowing for relevant local factors.	Energy benchmarking has been completed which has identified areas which need to be reviewed in detail to identify whether investment might be appropriate (Appendix E)
<b>3e</b>	All new investments, whether capital or revenue, are subject to an investment appraisal process which includes evaluation of risks and the relative costs and benefits	Capital investment processes are discussed under criterion 19. these are judged to be robust and sound  The actions within this strategy are designed to provide a framework for investment to make sure it is focused to best effect.

**Figure 20 – Understanding costs and performance: Level 3**

Criterion	Assessment criteria	PCT response
<b>3f</b>	The organisation understands what costs it incurs and how they change with activity and external factors and uses this information in its financial and service planning process to evaluate alternative policies, programmes, activities and to identify efficiency savings.	<p>This strategy is helping to develop systematic processes for:</p> <ul style="list-style-type: none"> <li>▪ Focusing investment and resources to best effect based on priorities derived from a range of estates and financial information (criterion 12)</li> <li>▪ Understanding the impact of the changing service strategy on the estate (criterion 12)</li> <li>▪ Bringing together cost and other management information to understand the relative performance of different assets (criterion 16)</li> <li>▪ Benchmarking performance (criterion 17)</li> <li>▪ Challenging performance (criterion 18)</li> </ul> <p>The actions identified show that this area is still not fully developed, but this assessment does show that the PCT has made significant steps towards implementing these measures and has an action plan to ensure they are completed.</p>
<b>3g</b>	There is good comparative information on costs and performance and the organisation routinely uses this to review and challenge whether it is achieving value for money.	
<b>3h</b>	When making decisions, the organisation considers and takes account of whole life costs and benefits and their impact on the local community and environment.	
<b>3i</b>	Costs for key services are benchmarked and demonstrate good value compared with others, providing similar levels and standards of services and allowing for the local context.	

## **7.4 Key priorities and actions**

- 7.4.1 The PCTs responses in this section of the report reflect those in earlier parts of the report and have not created the requirement for additional priorities and actions.

## **7.5 Conclusions**

- 7.5.1 The conclusions on the PCTs understanding of costs and performance for KLOE 1.2 are similar to those for KLOE 1.1. Whilst this KLOE does not form a direct part of the estate strategy, the assessment does nevertheless demonstrate that the processes for understanding costs and performance that are used to underpin the estate strategy are sound and that a more rigorous regime for the estate is being developed and implemented through this strategy.

## 8 Action plan

### 8.1 Introduction

8.1.1 This first phase of the development of the PCTs estate strategy has identified a range of actions that should be taken by the PCT. These actions are designed to:

- Provide a framework for action and priorities for the PCT
- Develop more robust arrangements by improving management and monitoring processes
- Help plan for the next phase of the development of the estate

8.1.2 Even when these actions are complete, there will be further work required, as the next stage of the development of the estate strategy will also need to take account of the impact of the emerging service strategy on the estate.

### 8.2 Actions identified

8.2.1 The detailed table below summarises the actions identified in this report into a single plan.

**Figure 21 - Action plan**

Area	Action
Estate retention	<ul style="list-style-type: none"> <li>■ Retain the portfolio of eight buildings forming the core estate</li> <li>■ Consider whether to continue to own the five buildings used for learning disabilities as these do not support core PCT activity</li> <li>■ Assess whether Stag Lane and Kilburn Square can be redeveloped and used for services in partnerships with the PCTs partner organisations, wider community use or the third sector or whether these buildings should be earmarked for disposal</li> </ul>
Utilisation levels	<ul style="list-style-type: none"> <li>■ Identify the extent of spare capacity in new facilities and what should be made available for provider services or partner organisations or wider community use</li> <li>■ Consider whether services currently in Stag Lane and Kilburn Square should be transferred into new facilities</li> </ul>
Building performance	<ul style="list-style-type: none"> <li>■ Follow up the reasons for adverse variance in energy, water and waste costs to identify whether there is scope for installing energy saving measures or using alternative energy sources that would reduce energy use and thereby greenhouse gas emissions</li> <li>■ Develop monitoring mechanisms and assign responsibility to budget holders for ongoing monitoring of building performance</li> <li>■ Commission DEC certification for the relevant buildings to comply with statutory requirements</li> </ul>

8.2.2 The actions have also been re-analysed by KLOE to demonstrate the link between the actions in this report and the Audit Commissions ALE assessment for use of resources. This revised analysis is shown in Appendix F.

## 9 Next steps

### 9.1 Introduction

9.1.1 This section of the report sets out the next steps arising from this exercise.

### 9.2 Key actions required

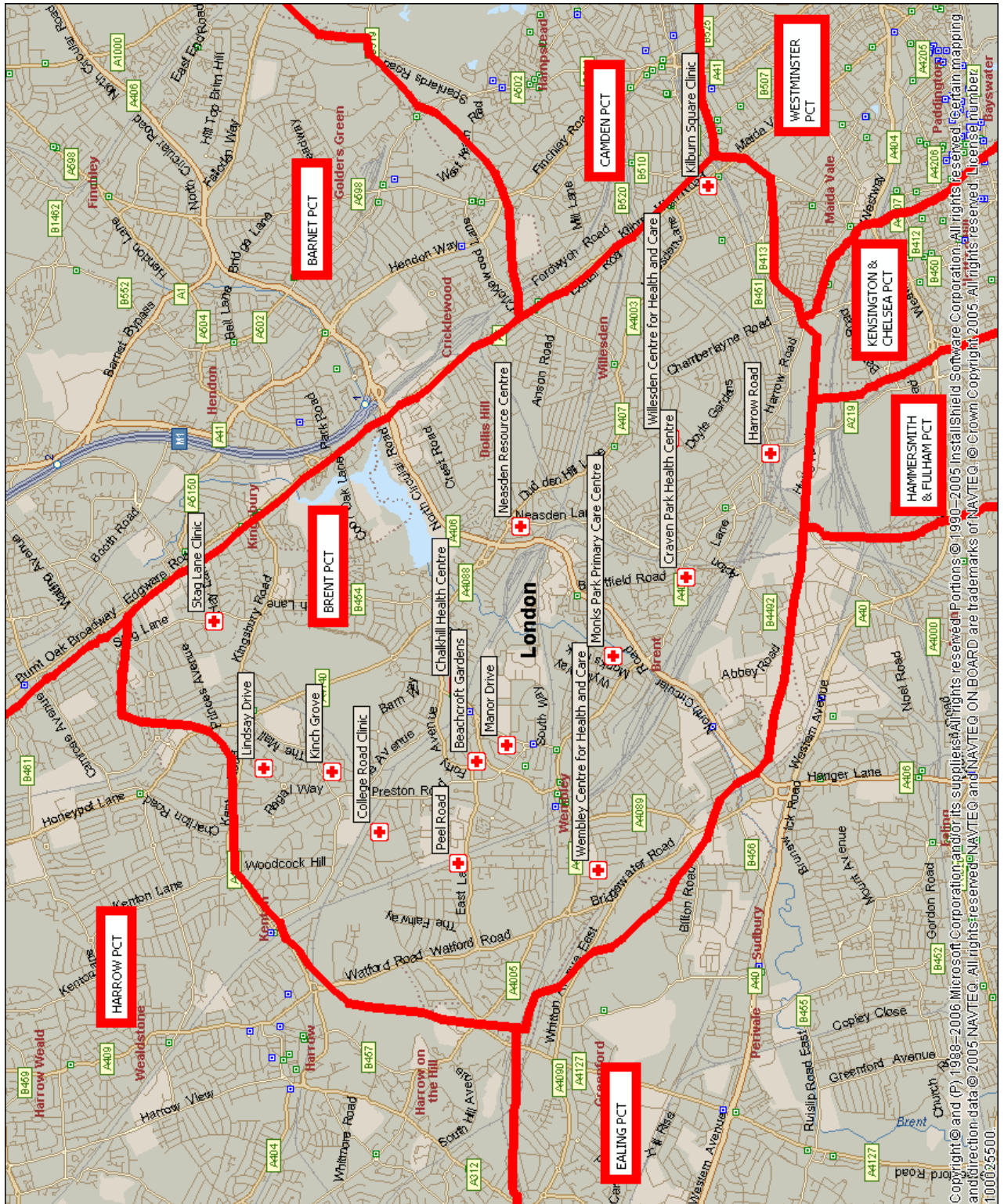
9.2.1 The PCT recognises that the end of this current wave of investment in new facilities together with the development of a new service strategy, will present fresh challenges for the management of the estate.

9.2.2 The development of a new estate strategy through this assignment represents a timely action to address these challenges.

9.2.3 It is recommended that the key next steps the PCT takes to promptly and effectively address these challenges are:

- Implement the actions identified in this report
- Commission the second phase of work on the estate strategy to develop a clear link between the PCTs emerging service priorities and its plans for the estate as early as possible.

## Appendix A – Location of the PCT estate



# Appendix B – Schedule of PCT buildings

No	Building	Description	Type	GIFA	Built
1	Sudbury Primary Care Centre		LIFT	2,200	Due 2008
2	Chalkhill Health Centre	Portakabins	PCT owned	910	1970
3	Chalkhill Primary Care Centre	Services in Portakabins transfer to this site Sept 2008	Lease (owned by Housing Association)	1,600m2	Due 2008
4	Stag Lane Clinic		PCT owned	300	1935
5	Monks Park Primary Care Centre		LIFT	1,168	2006
6	Wembley Centre for Health and Care		PCT owned	7,569	1998
7	Kilburn Square Clinic		PCT owned	678	1970
8	Craven Park Health Centre	services to be transferred to Hillside by Jan 2009, will then be knocked down for urban regeneration	PCT owned	1,321	1970
9	Willesden Centre for Health and Care		PFI	12,600	2006
10	Neasden Resource Centre	Disposed in Jan 2008	Was PCT owned	681	1965
11	Peel Road	Solely used as LD residential care - possible future contracted out service	PCT owned	247	1900
12	College Road Clinic	Disposed of site and premises (April 2008)	Was PCT owned	271	1935
13	Hillside	New development under construction, due for completion September 2008 commissioning end of year, will accommodate CP services but some space for extra services	Lease (owned by Housing Association)	2,000	Due 2008
14	Harlesden Health Living Centre	Rented accommodation, lease terminated March 2007	Lease		
15	Lindsay Drive	Trust owned residential sites that provide accommodation for Learning Disability use. The services though are managed by independent providers commissioned by the Trust	PCT owned		
16	Beachcroft Gardens	As Lindsay Drive	PCT owned		
17	Manor Drive	As Lindsay Drive	PCT owned		
18	Kinch Grove	As Lindsay Drive	PCT owned		

## Appendix C – Analysis of core estate:building factsheet

**Sudbury Primary Care Centre**

Built through LIFT, taking services from the old Perrin Rd clinic (now disposed of) and Wembley.

- Around 55% (1,200m2) will be occupied by clinical services including GP Practice, Phlebotomy, Children’s Services, Women’s Services, Diabetic Clinics, Podiatry and Dentistry located on the ground and first floors (no split available for individual areas)
- The remaining 1,000m2 will be taken up with offices and seminar rooms on part of the first and the second floors

The building is not yet occupied



**Gross Internal Floor Area (GIFA) – m2**

2,200

**Condition appraisal (if available)**

Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
---------------------	-----------------	-------------------	----------------------	-----------------	--------------	------------	----------------------	------------------------	-------------

Not surveyed, but as this is a new building, expect condition A

**Recent capital expenditure (£)**

2006/07	2007/08	2008/09 (plan)
	171,685	150,000

**Revenue Expenditure (£)**

Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge
390	618	0	1,282	334	87	2,498	0	288,917

**Asset register details (£)**

closing NBV	Depreciation	Cost of capital
306,524	6,828	8,359

**Utilisation**

Commissioned but not occupied

**Investment options**

Additional investment to be considered after service specification finalised and commissioning completed, with focus on bringing in services from sites suitable for rationalisation

**Chalkhill Health Centre [due for disposal]**

<p>This facility is located on the ground floor of an eight storey block of flats and includes a number of modular buildings constructed in 1970.</p> <p>The services within the facility include:</p> <ul style="list-style-type: none"> <li>▪ GP Practices, Podiatry, Phlebotomy, Physiotherapy, Children's Services, Speech Therapy over 21 rooms</li> <li>▪ Non Clinical areas cover a further 21 rooms</li> </ul>					<p>This facility is scheduled for disposal and the services will be relocated into the new Chalkhill Primary Care Centre</p>				
<b>Gross Internal Floor Area (GIFA) – m2</b>					910				
<b>Condition appraisal (if available)</b>									
Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
B	C	C	D						C
<b>Recent capital expenditure (£)</b>									
2006/07			2007/08			2008/09 (plan)			
			1,998			300,000			
<b>Revenue Expenditure (£)</b>									
Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge	
0	11,426	1,345	1,924		1,081	0	15,300		
<b>Asset register details (£)</b>									
closing NBV			Depreciation			Cost of capital			
392,339			25,553			9,352			
<b>Utilisation</b>									
<p>Provider services open 9am to 5pm, whilst GP services are 9am to 7pm. There is no weekend opening</p>									
<b>Investment options</b>									
<p>None – scheduled for disposal</p>									

**Stag Lane Clinic**

Stag Lane Clinic is a purpose built single storey clinic which was constructed in 1935. The main central part of the building is provided with a pitched roof which is clad with clay tiles.

Services include:

- GP Practice (25%),
- Dental Clinic, HV Clinic, Phlebotomy (30%)
- Non Clinical (45%)



**Gross Internal Floor Area (GIFA) – m2**

300

**Condition appraisal (if available)**

Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
---------------------	-----------------	-------------------	----------------------	-----------------	--------------	------------	----------------------	------------------------	-------------

Overall assessment as condition B, but in need of general refurbishment/ decoration

**Recent capital expenditure (£)**

2006/07	2007/08	2008/09 (plan)
	23,004	26,900

**Revenue Expenditure (£)**

Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge
3,356	4,125	118	824		1,308	5,858	2,400	

**Asset register details (£)**

closing NBV	Depreciation	Cost of capital
1,079,193	24,325	37,108

**Utilisation**

Provider services open 9am to 5pm, whilst GP services are 9am to 7pm. There is no weekend opening. Scope for transferring services to another facility

**Investment options**

Poor energy performer and judged to be unsuitable for expanding services. If retained in medium term, identify cause of high consumptions, review plant and consider replacement using bio fuels if cost effective.

**Monks Park Primary Care Centre**

Built through LIFT  Services include: <ul style="list-style-type: none"> <li>▪ Dietetics, Speech Therapy, Children’s Services, Family Planning, Phlebotomy, Cardiology Clinics and HIV clinics located on the ground floor</li> <li>▪ Support facilities in offices and seminar rooms are located on the first and second floors</li> </ul>									
<b>Gross Internal Floor Area (GIFA) – m2</b>		1,168							
<b>Condition appraisal (if available)</b>									
Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
Not appraised, but expect this to be condition A as it is new build									
<b>Recent capital expenditure (£)</b>									
2006/07			2007/08			2008/09 (plan)			
199,338						7,500			
<b>Revenue Expenditure (£)</b>									
Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge	
0	721	539	1,739	6,300	236	31,524	12,433	347,944	
<b>Asset register details (£)</b>									
closing NBV			Depreciation			Cost of capital			
151,601			22,787			5,549			
<b>Utilisation</b>									
Mon- Fri 8am to 6pm for offices. Clinical areas timetabled for some 30% of available time on 9am to 5pm timetable, ranging form 10% to 75% depending on day of week. Seminar Room used sporadically  Scope for increasing utilisation by bringing services in form other sites.									
<b>Investment options</b>									
Explore scope for bringing services in from other smaller clinics to support rationalisation									

**Wembley Centre for Health & Care**

Built 1998, but includes older area used for HQ.

- Clinical services include - GP Practices, Women’s Services, Children’s Centre, Dentistry, Podiatry, Speech Therapy, Phlebotomy, Eye Screening, Physiotherapy, CNWL Services, Occupational Health Services, EACH Voluntary Services which take up around 40% of the area
- The remaining are is taken up with HQ and support such as the Education Centre



**Gross Internal Floor Area (GIFA) – m2**

7,569

**Condition appraisal (if available)**

Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
B	D	D	D	D			C		D

**Recent capital expenditure (£)**

2006/07	2007/08	2008/09 (plan)
1,072,527	58,898	41,000

**Revenue Expenditure (£)**

Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge
79,310	101,121	8,400	0		39,371	141,101	17,130	

**Asset register details (£)**

closing NBV	Depreciation	Cost of capital
36,209,089	977,698	1,257,267

**Utilisation**

There is a significant range of services and opening times. These should be reviewed to assess whether building utilisation could be improved

**Investment options**

Poor energy performance, probably centred on older HQ element of the facility. Review premises to assess cause of consumption/cost and identify remedial action/investment. Consider whether investment to support rationalisation is cost effective

**Kilburn Square Clinic**

Built in 1970, and situated on a social housing estate comprising a variety of high and low rise buildings which appear to have been constructed during the 1960's.

- Services include - Health Visiting, Child Health Clinics, Podiatry, Diabetic Clinic and Family Planning using 7 rooms on the ground floor
- Offices use 6 rooms on the first floor and there are a further 6 rooms across the ground and first floors used for storage and other purposes



**Gross Internal Floor Area (GIFA) – m2**

678

**Condition appraisal (if available)**

Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
B	D	D	C	C	C	D		D	D

**Recent capital expenditure (£)**

2006/07	2007/08	2008/09 (plan)
40,453	108,273	62,000

**Revenue Expenditure (£)**

Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge
4,906	14,580	368	1,641		0	7,659	9,394	

**Asset register details (£)**

closing NBV	Depreciation	Cost of capital
145,468	77,176	5,537


**Utilisation**

Some service such as diabetes and family planning clinics only operate for half a day a week, whilst child health operates for two half days per week. Consider scope for rationalising space and alternative use for space or transferring services to other facilities, rather than making significant investment in the building.


**Investment options**

Poor energy performer. If building to be retained, identify cause of high consumptions, review plant and consider replacement using bio fuels if cost effective.

**Craven Park [scheduled for disposal/demolition]**

<p>Built 1970, located on the ground floor of an eight storey block of flats with single storey extensions, housing:</p> <ul style="list-style-type: none"> <li>▪ GPs – 20% of space</li> <li>▪ Family Planning, Podiatry, Speech Therapy and Children’s Services – 20% of space</li> <li>▪ Dental – 10% of space</li> <li>▪ Non clinical – 50% of space</li> </ul> <p>Services to be transferred to Hillside by Jan 2009, when the building will be demolished for urban regeneration</p>									
<b>Gross Internal Floor Area (GIFA) – m2</b>					1,321				
<b>Condition appraisal (if available)</b>									
Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
B	D	D	D	C				D	D
<b>Recent capital expenditure (£)</b>									
2006/07			2007/08			2008/09 (plan)			
<b>Revenue Expenditure (£)</b>									
Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge	
0	17,210	857	5,047		0	18,426	5,334		
<b>Asset register details (£)</b>									
closing NBV			Depreciation			Cost of capital			
59,679			50,717			2,898			
<b>Utilisation</b>									
Variable and scope for improvement, however services are already earmarked to be transferred to Hillside by Jan 2009, when the building will be demolished.									
<b>Investment options</b>									
None – scheduled for disposal									

**Willesden Centre for Health and Care**

<p>PFI building replacing the old Willesden Community Hospital and also incorporating some services from the Neasden Resource centre which was disposed of in 2008.</p> <p>The centre houses a range of services and providers including:</p> <ul style="list-style-type: none"> <li>▪ Physiotherapy, In patient Rehab, Children’s Centre, Phlebotomy, Podiatry, Dentistry, Women’s Services</li> <li>▪ GP services</li> <li>▪ NWL and CNWL Trusts</li> </ul>									
<b>Gross Internal Floor Area (GIFA) – m2</b>		12,600							
<b>Condition appraisal (if available)</b>									
Condition appraisal	Health & Safety	Electrical safety	Legionellosis Safety	Asbestos safety	Water Safety	Gas safety	Environmental safety	Pressure system safety	Fire safety
Not undertaken, but as a new building, expect condition A									
<b>Recent capital expenditure</b>									
2006/07			2007/08			2008/09 (plan)			
135,181			7,418			63,000			
<b>Revenue Expenditure</b>									
Gas	Electricity	Water	Cleaning	Insurance	Refuse collection	Rates	Telephones	Lease/PFI charge	
38,128	104,077	6,943	7,567		0	216,450	100,511	3,331,751	
<b>Asset register details</b>									
closing NBV			Depreciation			Cost of capital			
10,502,689			34,540			354,683			
<b>Utilisation</b>									
22% of space (wards) is currently mothballed with a further 14% (7% GP,7% podiatry) unused									
NWLH only use their space allocations for part of the week – need to confirm their service charge includes payment for unused time or that space could be used for alternative purposes when not used by them									
<b>Investment options</b>									
Investment should be to support rationalisation by bringing services in from other underutilised facilities									

# Appendix D – Energy analysis

Site Name	Chalkhill Health Centre	Stag Lane Clinic	Monks Park Clinic	Wembley CHC	Kilburn Square Clinic	Craven Park Health Centre	Willesden Hospital	5 Peel Road	Median from ERIC Database
<b>GIA</b>	910	300	409 (based on approx m2 utilised)	7,569	678	1,321	12,600	247	
<b>Description</b>	£	£	£	£	£	£	£	£	
<b>Gas</b>	0	3,356	0	79,310	4,906	0	38,128	3,550	
<b>KPI</b>	0.0	11.2	0.0	10.5	7.2	0.0	3.0	14	5.64
<b>Variance</b>	0.0	5.5	0.0	4.8	1.6	0.0	-2.6	8.7	
<b>Rating</b>									
<b>Electricity</b>		4,125	721	101,121	14,580	17,210	104,077	2,515	
<b>KPI</b>	0.0	13.7	1.8	13.4	21.5	13.0	8.3	10.2	6.47
<b>Variance</b>	0.0	7.3	-4.7	6.9	15.0	6.6	1.8	10.2	
<b>Rating</b>									
<b>Water</b>	1,345	118	539	8,400	368	857	6,943	1,413	
<b>KPI</b>	1.5	0.4	1.3	1.1	0.5	0.6	0.6	5.7	1.28
<b>Variance</b>	0.2	-0.9	1.3	-0.2	-0.7	-0.6	-0.7	4.4	
<b>Rating</b>									
<b>Waste</b>	1,345	118	539	8,400	368	857	6,943	1,413	
<b>KPI</b>	1.5	0.4	1.3	1.1	0.5	0.6	0.6	5.7	2.1
<b>Variance</b>	-0.6	-1.7	-0.8	-1.0	-1.6	-1.5	-1.5	3.6	
<b>Rating</b>									

	Better than median (Median taken from ERIC return)
	Median or close to median
	Worse than median

# Appendix E – DEC assessment

Site Name	Wembley CHC	Willesden Hospital
<b>GIA</b>	7,569	12,600
<b>Description</b>		
Gas Cost	£79,310	£38,128
Unit Cost £/kWH	£0.0232	£0.0232
Estimated Consumption (kWH)	3,415,001	1,641,745
Electricity Cost	£101,121	£104,077
Unit Cost £/kWH	£0.0792	£0.07879
Estimated Consumption (kWH)	1,276,592	1,320,914
Operational Rating (OR)		103
Typical OR		100
Operational Grade	G	E
<b>Rating (From DEC)</b>		

	Better than typical OR
	Typical OR or close OR
	Worse than typical OR
(OR = Operational Rating as classified by HM Government)	

(Craven Park excluded as data incomplete)

# Display Energy Certificate

How efficiently is this building being used?



Brent PCT  
Willesden Hospital  
Harlesdon Road

Certificate Reference Number:

London  
NW10 3RY

This certificate indicates how much energy is being used to operate this building. The operational rating is based on meter readings of all the energy actually used in the building. It is compared to a benchmark that represents performance indicative of all buildings of this type. There is more advice on how to interpret this information on the Government's website [www.communities.gov.uk/epbd](http://www.communities.gov.uk/epbd).

## Energy Performance Operational Rating

This tells you how efficiently energy has been used in the building. The numbers do not represent actual units of energy consumed; they represent comparative energy efficiency. 100 would be typical for this kind of building.

More energy efficient

**A** 0-25

**B** 26-50

**C** 51-75

**D** 76-100

**E** 101-125

**F** 126-150

**G** Over 150

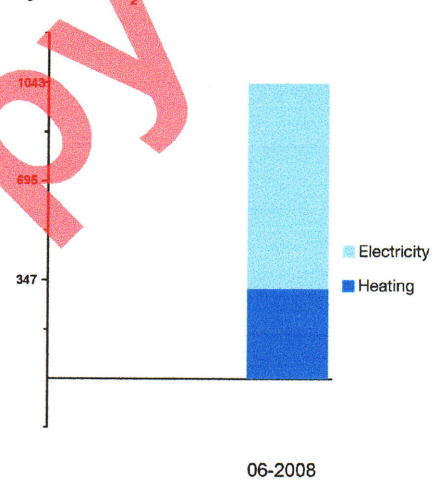
Less energy efficient

100 would be typical

103

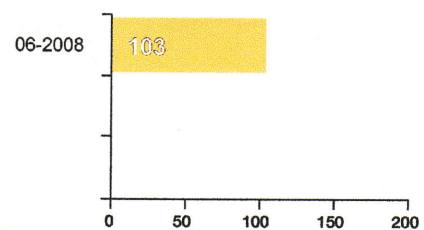
## Total CO<sub>2</sub> Emissions

This tells you how much carbon dioxide the building emits. It shows tonnes per year of CO<sub>2</sub>.



## Previous Operational Ratings

This tells you how efficiently energy has been used in this building over the last three accounting periods



## Technical information

This tells you technical information about how energy is used in this building. Consumption data based on Actual

**Main heating fuel:** Natural Gas  
**Building Environment:** Heating and Mechanical Ventilation  
**Total useful floor area (m<sup>2</sup>):** 12600  
**Asset Rating:** 0

	Heating	Electrical
Annual Energy Use (kWh/m <sup>2</sup> /year)	130	105
Typical Energy Use (kWh/m <sup>2</sup> /year)	216	70
Energy from renewables	0%	0%

## Administrative information

This is a Display Energy Certificate as defined in SI 2007/991 as amended.

**Assessment Software:** ORCALC V1-04-05  
**Property Reference:** 123456789102  
**Assessor Name:** Ian Jackson  
**Assessor Number:** ABCD123456  
**Accreditation Scheme:** CIBSE Certification Limited  
**Employer/Trading Name:** Tribal Consulting  
**Employer/Trading Address:** 154 Great Charles Street  
**Issue Date:** 04-07-2008  
**Nominated Date:** 30-06-2008  
**Valid Until:** 29-06-2009  
**Related Party Disclosure:** not applicable

Recommendations for improving the energy efficiency of the building are contained in the accompanying Advisory Report.

## Appendix F – Recommendations analysed by KLOE

**Recommendations analysed by KLOE**

KLOE	Action
<p>3.2: Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?</p>	<ul style="list-style-type: none"> <li>▪ Use the RAD assessment to provide overall direction for the estate strategy in the short to medium term. This assessment shows which facilities the PCT should retain, consider for alternative ownership or dispose of, as well as scope for rationalisation criterion 16)</li> <li>▪ Implement the short to medium term actions identified to improve utilisation which may include the wider community as well as partner organisations (criterion 21)</li> <li>▪ Use the energy and DEC benchmarking analyses to target investments made to reduce energy consumption (criterion 17)</li> <li>▪ Commission DEC certification for relevant buildings to comply with statutory requirements (criterion 17)</li> </ul>
<p>3.1: Is the organisation making effective use of natural resources?</p>	<ul style="list-style-type: none"> <li>▪ Identify the causes of high energy consumption and assess the most appropriate action/investment required (criterion 4)</li> <li>▪ Develop a consistent database with targets and a monitoring process for energy use (criterion 8)</li> <li>▪ Develop joint working arrangements to widen the use of facilities, particularly Chalkhill and Hillside (criterion 5)</li> <li>▪ In conjunction with partner organisations, implement the planned actions to make the environmental impact of PCT activity more explicit, without being burdensome (criteria 6 and 10)</li> </ul>