

## Executive Summary

### Report to the Board of Directors

Being Held on 25 July 2023

<b>Subject</b>	Estates Strategy
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<b>Status<sup>1</sup></b>	D & A

#### PURPOSE OF THE REPORT

The paper seeks Board of Directors approval of the new Estates Strategy 2023 to 2028.

#### KEY POINTS

- The creation of the new strategy involved engagement with members of Management Board and Estates staff in addition to a discussion at a Board of Directors strategy session in February 2023.
- The strategy is cognisant of external influences such as Sheffield City Council's Sheffield Plan, the Sheffield Place Pilot, and the South Yorkshire Integrated Care Board's 2019 Five Year Plan.
- The strategy is structured around four key strategic objectives:
  - Facilitate the clinical blueprint
  - Develop the estates framework plan
  - Deliver our sustainability plan
  - Develop our estates workforce
- The strategy asks three questions:
  - Where is the Trust now? – a summary of the estate, together with some key metrics
  - Where do we want to be? – our ambition aligned to the Trust strategic aims
  - How will we get there? – actions to deliver the four key strategic objectives
- An annual implementation plan will be created to focus on the key strategic objectives reporting progress to the Finance and Performance Committee and the Trust Executive Group.

#### IMPLICATIONS<sup>2</sup>

AIM OF THE STHFT CORPORATE STRATEGY 2017-2020		TICK AS APPROPRIATE
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education & Innovation	✓

#### RECOMMENDATIONS

The Board of Directors are asked to review and approve the new Estates Strategy. Next steps will be to launch the strategy to the organisation in August 2023. Progress will be monitored through the Finance and Performance Committee and the Trust Executive Group.

#### APPROVAL PROCESS

Meeting	Date	Approved Y/N
Trust Executive Group	11/07/2023	Y
Board of Directors	25/07/2023	

<sup>1</sup> Status: A = Approval  
A\* = Approval & Requiring Board Approval  
D = Debate  
N = Note

<sup>2</sup> Against the six aims of the STHFT Corporate Strategy 'Making a Difference - The next Chapter 2022-27'



**Sheffield Teaching Hospitals**  
NHS Foundation Trust

# **ESTATES STRATEGY**

## **2023 – 2028**

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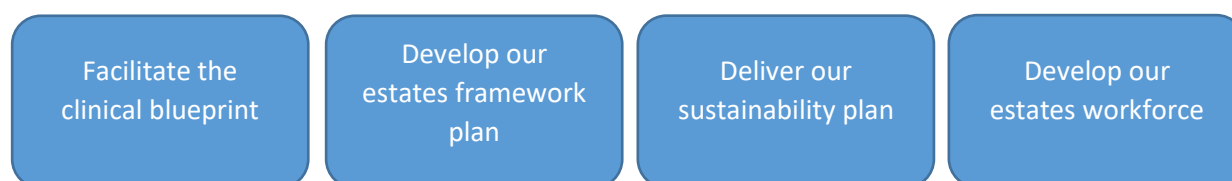
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# Introduction

This strategy describes our ambition for transformational change of the Trust estate to meet the needs of our patients, staff and visitors in an environment that is fit for purpose, safe and sustainable.

The strategy sets out to articulate the direction of travel over the next five years acknowledging that further work will be undertaken to develop detailed delivery plans. The strategy will be cognisant of our emerging clinical blueprint, sustainability plan, people strategy, equality, diversity and inclusion strategy and digital strategy and be responsive to the decisions made locally through the South Yorkshire Integrated Care Board.

Our key strategic objectives are:



The Estates Strategy seeks to address these strategic objectives by:

- Ensuring the estate meets the needs of patients, visitors and staff by being fit for purpose, compliant, efficient, effective, accessible, safe and functional.
- Supporting the short to medium-term development of service improvements driven by the output of the annual business planning rounds.
- Supporting the long-term development plans of the emerging clinical blueprint.
- Reducing the Critical Infrastructure Risk (CIR) and managing the impending backlog maintenance risk.
- Driving innovation in the use of the estate through standardisation of products, materials, plant and equipment.
- Reducing the occupancy costs through estate rationalisation and effective space utilisation.
- Reducing the estate carbon footprint to meet our net zero emissions targets.
- Developing a diverse and inclusive workforce by growing and nurturing our people.
- Developing sustainable collaborative relationships with peers within the South Yorkshire Integrated Care Board and the Shelford Group.

The aspirations of the Estate Strategy are:

- To provide the best possible acute hospital estate that focuses on specialist secondary and tertiary care in fit for purpose, flexible, modern, and sustainable buildings.
- To provide community services including outpatient and diagnostic services in high quality public estate in places that best serve our people.
- To provide fit for purpose, flexible, modern, and sustainable spaces for non-clinical functions in the places that best serve our staff.

## Where is the Trust now?

The Trust delivers comprehensive healthcare services from two freehold hospital campuses in Sheffield. The Trust has a portfolio of offsite community properties in Sheffield and occupies under lease or licence properties across the South Yorkshire region.

In brief the acute estate is summarised below:

<b>Central Campus</b>	<b>Northern Campus</b>
182,952m2 Gross Internal Area (GIA)	194,006m2 Goss Internal Area (GIA)
Minor Injuries	Emergency Department
100% retained	94.2% retained 5.8% PFI
1.2miles from Town Centre	3.5miles from Town Centre
Visitor Car Parking 526	Visitor Car Parking 673
Staff car parking 289	Staff car parking 1,853
Disability Discrimination Act (DDA) car parking 53	Disability Discrimination Act (DDA) car parking 205
Low Flood Risk	Low Flood Risk
3 Listed Buildings	4 listed Buildings
Conservation Area	No Conservation Area
No Tree Preservation Orders (TPO) in place	No Tree Preservation Orders (TPO) in place
Energy Rating B to F	Energy Rating C to E
Asset Value £169,649,600	Asset Value £174,128,388
Total carbon emissions 26,846tCO <sub>2</sub>	
Age Profile 1900 to 2020	Age Profile 1880 to 2020

## Northern Campus

The Northern Campus is the home of the Northern General Hospital, it is an expansive estate with buildings aging from 1880 to 2020.

Investment in the estate has delivered several major developments over the past 15years including the Northern General Eye Centre, Critical Care Unit, Physiotherapy Department, Laboratory Building, The Sir Robert Hadfield Building, the GP Collaborative Centre, Vickers 2 & 3 modular ward block and a Helipad.

Disinvestment in the estate has seen the demolition of several nightingale wards which adjoined the Vickers Corridor.

The Northern Campus also includes properties owned and operated by Sheffield Health and Social Care NHS Foundation Trust and the University of Sheffield.

Sheffield Children's Hospital currently lease Children's Outpatient Department 2 and space in the Mobility and Specialised Rehabilitation Centre (M&SRC) building.

The Trust PFI Contract Partner designed and built the Sir Robert Hadfield Building at the Northern Campus. The PFI Partner is responsible for the hard facilities management service for the duration of the 32-year contract period (2005 to 2037). The Trust is responsible for the soft facilities management services.

The Northern Campus is home to the Central Processing Unit (CPU) which provides a hot and cold patient meal service to the Trust and the Laundry which provides a fresh linen service to the Trust, Sheffield City Council, Sheffield University and other local primary and secondary health care organisations. Residential accommodation is provided on site with 22 rooms.

A staff day nursery is provided at Daleside and Rivelin buildings.

There are four listed buildings located at the NGH Campus, Goddard Hall, Wycliffe House and Sewing Room and Norwood Cottage. Goddard Hall and Norwood Cottage are unfit for occupation and remain empty.

## **Central Campus**

The Central Campus is home to the Royal Hallamshire Hospital, Jessop Wing Hospital, Weston Park Hospital and the Charles Clifford Dental Hospital. The Estate is compact with buildings aging from 1900 to 2020.

Investment in the estate has delivered several major developments over the past 10 years including, Gamma Knife, Hyper Stroke Assessment Unit, Royal Hallamshire Hospital lift refurbishment, Royal Hallamshire low temperature hot water conversion, A Floor theatre refurbishment, and the Q Floor theatre development.

The University of Sheffield occupies the Medical School and other accommodation across the Central Campus under a Memorandum of Understanding.

Residential accommodation is provided on site with 47 rooms. Block 4 was converted to office accommodation in 2020.

The Trust leases 10 Beech Hill Road, which is used for a staff day care nursery, from the Sheffield Hospitals Charity.

There are three listed buildings located on the Central Campus, at 2, 8 and 10 Claremont Place.

## **Community Estate**

The community estate consists of six Trust owned properties and 25 properties with tenancy rights. The Trust is in the process of disposing of the Heeley Dental Clinic following the relocation of the community dental service to the Wheata Dental Clinic.

Investment in the Community Estate includes the refurbishment and extension to the Wheata Clinic for community dental services, refurbishment of community dental services at Manor Clinic, refurbishment of accommodation at Central Clinic, Firth Park and Woodhouse Clinic.

Pre-operative assessment relocated to Central Clinic during 2021 to free space in the Royal Hallamshire Hospital as part of the response to the COVID-19 pandemic, and this has proved to be a good strategic fit.

Derbyshire Facilities Management provide hard facilities management services to the community properties. The Trust provides soft facilities management services to the community properties.

The Trust also occupies properties across Sheffield and surrounding areas, either under lease or licence. Inpatient only accommodation is provided at the Stroke Pathway Assessment and Rehabilitation Centre (SPARC) at Norfolk Park Road. This property is a listed building.

The Trust also occupies spaces in buildings across Sheffield and the surrounding area on a sessional basis.

## **Model Health System**

The Model Health System benchmarking shows improvements across a range of metrics and highlights areas for the estates strategy to explore and develop over the next five years. The data for 2021/22 should be read in context of the impact of the COVID-19 pandemic when productivity and management costs varied considerably.

	Unit	STH 21/22	Benchmark	STH 20/21	Benchmark
<b>Cost of Occupancy</b>					
Estates and Facilities cost	(£ per m2)	351.82	461.59	316.01	422.73
Management (hard and soft FM) Costs	(£ per m2)	5.5	7.12	5.15	6.41
<b>Hard Facilities Management Costs</b>					
Estates & Property Maintenance	(£ per m2)	55.94	41.87	41.40	41.00
Grounds and Garden Maintenance	(£ per m2)	0.9	0.74	0.96	0.87
Water and Sewerage Costs	(£ per m2)	3.79	3.76	3.58	3.89
Total Energy Cost	(£ per kWh)	0.09	0.07	0.0661	0.569
<b>Productivity</b>					
Amount of Non-Clinical Space	%	36.43	31.8	37.65	31.61
Amount of Under-Utilised Space	%	3.47	0.81	0.00	0.35
Energy Cost	(£ per m2)	33.95	34.7	25.66	28.43
Energy Productivity	(kWh per m2)	374.75	497	388.36	514.13
<b>Quality and Safety</b>					
Critical Infrastructure Risk	(£ per M2)	183.46	172.6	191.25	144.46
Total Backlog Maintenance	(£ per M2)	287.33	318.71	310.68	290.12
Total Critical Infrastructure Risk	(£m)	60.38	33.1	64.32	28.21
Total Backlog Maintenance Cost	(£m)	94.57	67.99	104.48	57.83
Condition, Appearance & Maintenance - Patient Led Assessment Score	%	98.4	97	No Data Available	

## Space Utilisation

The Model Health System has identified the Trust as an outlier in the amount of non-clinical space and under-utilised space across the Estate. To address the demands placed upon the Estate for space to support clinical and non-clinical functions, understanding how the estate is currently being used is vital.

Learning from the impact of the COVID-19 pandemic has shown that technology was a key enabler for flexible working patterns and practices offering opportunities for the estate to be repurposed to support clinical functions and mitigate the infection control risk in high density working environments.

The estate of the future must be dynamic allowing efficient and effective adaptations that safely meet the demands of clinical and non-clinical functions.

Management and control of space will be led by the Estates Directorate and will include:

- Assessment of the current occupancy and utilisation by directorate and corporate departments.
- Support in the development of directorate and corporate department business cases where use of space is a consideration.
- Option appraisals for site rationalisation.
- Monitoring and reporting of space utilisation and occupancy.

- The commissioning and decommissioning of space by agreement.

## Climate Change

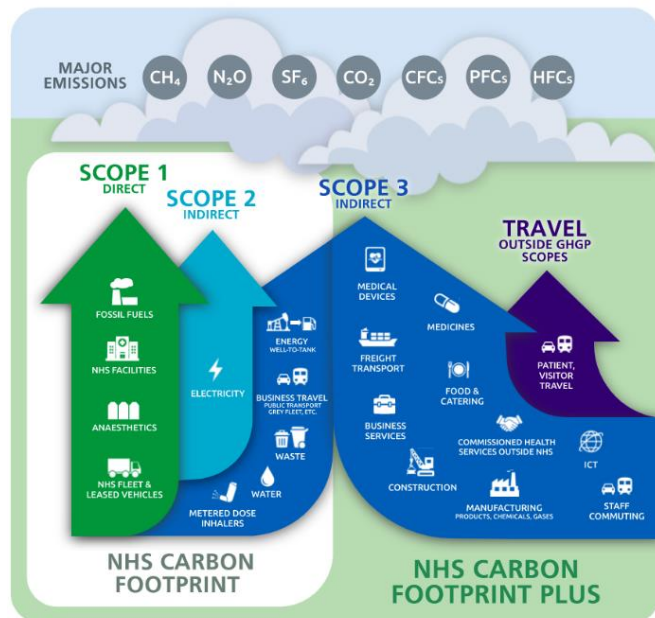
Over the coming decades, climate change will expose our existing buildings to conditions not foreseen when planned and built. Extreme weather situations such as heavy rainfall and heat waves are occurring more frequently. Building condition and vulnerability to extreme weather is integral to ongoing maintenance; any climate adaptations should be considered alongside backlog maintenance, energy resilience and functional suitability.

The Northern Campus is vulnerable to extreme weather events due to its aging infrastructure and reliance on natural building ventilation. The Central Campus is less vulnerable to flooding and has a significant proportion of buildings mechanically ventilated and cooled.

## Delivering Net Zero

In 2008 the Climate Change Act set national targets for the reduction of carbon emissions in England, against a 1990 baseline. Since then, the NHS has been working to deliver on these targets, most closely approximated by the NHS Carbon Footprint. However, these targets do not cover the full scope of emissions from the NHS. The Green House Gas Protocols (GHGP) scopes cover a wider set of emissions, and support international comparison and transparency:

- GHGP Scope 1 – Direct emissions from owned or directly controlled sources, on site.
- GHGP Scope 2 – Indirect emissions from the generation of purchased energy, mostly indirectly.
- GHGP Scope 3 – All other indirect emissions that occur in producing and transporting goods and services, including the full supply chain.



There are still some emissions that fall outside these remits. The NHS will work towards net zero for NHS Carbon Footprint Plus that includes all three of the remits above, as well as the emissions from patient and visitor travel to and from NHS services and medicines used at home.

Identifying a route to net zero emissions for a complex estate as large as STH is challenging. However, significant steps have been taken in reducing our carbon footprint with investment in light-emitting diode (LED) lighting, Building Management System (BMS) upgrades, the replacement of the steam generating boilers with combination condensing boilers for heating and hot water and the installation of photovoltaic (solar) panels to generate electricity.

## Estates Workforce

A recent review of the directorate's performance identified opportunities to improve the efficiency and effectiveness of the service provided. A redesign of the service is addressing the underlying challenges of an ageing workforce, a high vacancy factor and limited succession planning while focussing on the modernisation of working practises through the implementation of a new computer aided facilities management system.



The service redesign has provided a new management structure and a refresh of the directorate's information and governance arrangements providing improved compliance and assurance reporting.

Recruitment and retention challenges continue at both local and national level. New recruitment strategies are being developed alongside collaborative relationships with local schools, colleges, and universities. A refresh of the apprentice programme is planned for 2023/24.

# Where do we want to be?

We want to work in a way that has a positive effect on the communities we serve. This means delivering high quality healthcare while ensuring we spend public money well; we are smart and efficient in the use of our resources while helping to build healthy and resilient communities.

Aligning to the Trust strategic aims, the Estates Strategy aims to:

## Deliver the best clinical outcomes by

- Providing a safe and functionally suitable estate that is accessible to all.
- Providing an estate that is flexible and easily adaptable to change.
- Maximising utilisation of the estate, reducing maintenance downtime and unplanned breakdowns.

## Provide Patient Centred Services by

- Providing a healing environment that meets the needs of all patients.
- Reducing Patient Advice and Liaison Services (PALS) complaints in relation to the estate.
- Improving estates Patient-Led Assessments of the Care Environment assessment scores and Fundamental Standard Audits.
- Improving Friends and Family Test feedback in relation to the estate.

## Employ Caring and Cared for Staff by

- Developing a robust, multiskilled and motivated Estates workforce.
- Providing continuous career and learning development.
- Expanding current apprentice appointments for multiskilled roles. Working with local partners, creating placements and expanding experiences and scope of apprentice roles.
- Improving customer satisfaction from staff and other stakeholders to inform service improvements.
- Improving Staff morale and engagement.

## Spend Public Money Wisely by

- Improving performance and quality for building and engineering services.
- Reducing occupancy costs by rationalising the estate and removing unwarranted variations.
- Prioritising backlog maintenance investment to reduce critical infrastructure risk and unplanned failure of essential plant and facilities.
- Aspiring to be at the median or better in the Model Health System benchmarks in all key Estates metrics and seeking to enhance further the areas where the Trust is outperforming its peers and improve in those areas where it falls short.

## Create a Sustainable Organisation by

- Improving utility usage performance.
- Developing longer term plans to deliver carbon net zero by 2040 for emission we control directly and 2045 for emission we can influence.
- Develop longer term plans to help mitigate the impact of climate change, especially extreme weather events such as heat waves and heavy downpours.

- Reducing the amount of waste going to landfill through building and engineering maintenance activities and increasing the level of recycling.
- Maximising opportunities for social value in estates procurement.

## **Deliver Excellent Research, Innovation and Education by**

- Developing collaborative relationships with higher education institutions, sharing knowledge and expertise in estates management.
- Driving innovation in the design and implementation of projects to reduce future lifecycle replacement costs and to standardise plant, equipment, fixtures and fittings across the estate.
- Maximising the opportunity of the apprentice levy to support ongoing learning and development in the Estates team.
- Developing modern fit for purpose accessible training facilities.

## **System and Local Authority Plans**

Leverage the Trust's role as an Anchor organisation leading and driving change, supporting the wider South Yorkshire (SY) Integrated Care System's (ICS) strategies and plans and the Sheffield Place Based Plan.

The South Yorkshire ICS 2019 Five Year Plan and the Sheffield City Council draft Sheffield Plan provides opportunities for the Trust to work collaboratively with other anchor institutions to ensure the public estate is used efficiently and effectively to address the wider socioeconomic factors that affect the people in our communities with greater emphasis on social value.

## **One Public Estate**

The Sheffield Place Pilot is one of five national pilot studies aimed at bringing together multiple public estate owners to undertake joint portfolio planning in the context of local needs and ambitions. Two key drivers of the Place Pilots are:

- Optimise investment by driving efficiency and value across the public estate and better public services by identifying opportunity for co-location, disposal, relocations, and land assembly.
- Embed a stronger focus on place into strategic asset management planning by mapping future estates demand alongside key growth and opportunity areas.

As an anchor institution the Trust can influence how its community services are delivered within the city of Sheffield. The Trust is an active member of the Sheffield Strategic Estates Group (SSEG) and is working closely with primary care and local authority organisations to deliver community services in the places that best serve our patients.

The Sheffield Place Pilot provides an opportunity for the Trust to develop long-term strategic, tactical, and operational partnerships within Sheffield and the wider ICB. These partnerships will help to inform the clinical blueprint.

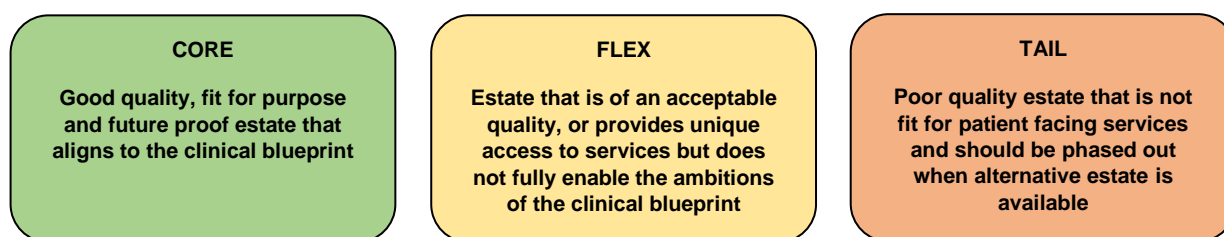
# How Will We Get There?

## Facilitating the clinical blueprint

The development of a clinical blueprint presents an opportunity to be clearer and more explicit about the Trust's longer-term plans and ambition. The emerging themes for exploration are:

- Front door and emergency pathways.
- Surgery and critical care.
- Medical model of care.
- Cancer.
- Community provision.
- The patients that we serve.

The estates strategy provides an opportunity to support the output of the clinical blueprint. Categorising the estate into core, flex and tail will help investment in the right estate, use the estate more efficiently and dispose of estate which is no longer suitable.



The estates strategy will promote the delivery of services from tail estate towards core estate, by the effective utilisation of data and evidence driven understanding of need, and by considering the condition of the existing estate. This will drive informed decision making for future capital prioritisation, investment, and disinvestment.

The here and now short to medium term capital prioritisation will be driven by the annual business planning rounds informing the five-year capital plan. The five-year capital plan will need to flex to take advantage of external funding opportunities for emerging national improvement programmes and initiatives while cognisant of the core, flex and tail approach needed to support the clinical blueprint.

As we commence the five-year estate strategy cycle there is a significant pre commitment which impacts on new schemes, however, as the clinical blueprint emerges there is an opportunity to develop schemes to meet the ambition from that work.

## Developing our estate framework plan

Rationalisation of the estate will be delivered hand in hand with the clinical blueprint. The core, flex and tail categorisation of the estate will inform the estate framework plan identifying assets for disposal and assets in need of investment.

Our ambition to deliver net zero emissions will influence how the estate develops and how it is used. It will change our mindset and culture around space utilisation and drive innovation across all aspects of the services we provide, both clinically and non-clinically. It will deliver value for money and reduce unwarranted variations.

Over the next five years we will:

- Develop our site development control plans reflecting the outputs of the clinical blueprint and estate framework plan.

- Disinvest in poor-quality estate that is not fit for patient facing services or for non-clinical activity. By doing so will reduced our occupancy costs in addition to reducing our critical infrastructure risk.
- Invest in our good quality estate maintaining compliance and addressing critical infrastructure risk while focussing on our net zero emissions target.
- Continue to invest in our community estate. We will review our leased property portfolio to ensure it is fit for purpose and meets the needs of our patients, visitors and staff. We will support the Care Groups in assessing occupancy costs to determine value for money and maximise utilisation.
- Invest in fit for purpose modern office accommodation that supports our health and wellbeing and provides space for hybrid working across the acute and community estate. We will maximise the opportunity to utilise technology to reduce our staff commuting omissions.
- Improve accessibility to our buildings. Our estate will be inclusive and provide a positive experience for our patients, staff and visitors.

## **Delivering our sustainability plan**

Our ambition of having a greener estate is central to achieving net zero emissions by 2040 with our infrastructure playing a significant role in achieving this. Changes we make to our buildings, the way in which we use energy and the how we use our estate will determine how and when we meet net zero emissions.

We will continue to invest in opportunities to reduce our carbon footprint through rolling programmes of new LED lighting installations, upgrades to the Building Management Systems (BMS), the installation of solar panels and the optimisation of the low temperature heating and hot water systems. However, these actions alone will not meet the net zero emissions target by 2040.

Over the next five-years we will:

- Reduce our energy consumption by making our buildings more energy efficient and reduce waste by improving our heating and hot water controls in addition to improving our cooling controls.
- Improve our health and wellbeing by providing greater access to our green spaces and setting aside areas for biodiversity.
- Provide more facilities to support our ambition to deliver an active travel plan.
- Expand our electric vehicle charging infrastructure across the acute and community estate and support electrification of our fleet.
- Develop our decarbonisation plans to move away from natural gas for heating and hot water with options for connections onto the Sheffield district heating network or the emerging Humber and Yorkshire regional hydrogen gas network.
- Develop net zero emissions specifications for all new buildings and where practicable major refurbishment of existing buildings.
- Fully embed net zero emissions and social value in the procurement of goods and services. We will support our supply chain partners in the adoption of the social value model to ensure that the Trust meets its obligations under the new Procurement Bill and scope 3 of the Green House Gas Protocols.

## **Developing our estates workforce**

We will align the estates workforce plans to our People Strategy and the priorities set out in the NHS Estates and Facilities Workforce Action Plan to make the Estates Directorate a great place to work.

Over the next five years we will:

- Develop a diverse and inclusive workforce supporting people into the workplace from our local communities.
- Establish a regional apprentice academy working in partnership with our peers across the Yorkshire region. The apprentice academy will offer bespoke estates and facilities learning and development plans with opportunities to work flexibly across organisations.
- We will work in partnership with our private sector partners and academic institutions to develop the specialist in-house skills needed to meet the demands of new and emerging technologies especially those associated with net zero emissions.
- We will work with our local schools and colleges to provide work experience opportunities for young people across all disciplines within the Estates Directorate.
- We will nurture and grow our own people from the start of their careers through to retirement.

## **Implementation**

For the next five years we will create an annual implementation plan to focus on the in year objectives to meet the key strategic aims of the strategy. We will report progress to the Trust Executive Group and subsequently the Finance and Performance Committee.