

Northern Care Alliance NHS Group

Salford Royal NHS Foundation Trust (SRFT) & Pennine Acute Hospitals NHS Trust (PAT)

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| Title of Report | PAT Estate Risks |
| Meeting | Pennine Acute Joint Health Overview and Scrutiny Committee (JHOSC) |
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| Presented by | Rob Jepson Deputy Director of Capital, Estates and Facilities |
| Date | 23rd April 2019 |
| Executive Summary | <p>The Committee has requested an update on the work undertaken to identify, profile, and address risks on the PAT estate, in line with the due diligence undertaken to inform the Pennine Acute Transaction.</p> <p>This report provides an overview of progress made since the last meeting, and a forward view of activity related to the identified risks and opportunities.</p> |

1. Introduction

The Strategic Case for the acquisition of Pennine Acute Hospital Trust (PAHT) was submitted to NHSI on 31st March for approval. To inform this case, and the subsequent Business Case, a number of due diligence exercises were undertaken. External assurance was commissioned from a number of sources, to undertake a strategic and organisational review (Essentia), review compliance (Nifes), and physical condition (Capita).

2. Progress to date

Essentia (received in April 2018) and Capita Facets 1&2 (November 2018) were the main sources of due diligence used to inform the Strategic Case.

The Capita Report - 4 Facet Survey.

Facet 1 – Physical condition of the buildings, such as fabric, mechanical and electric systems.

Facet 2 – Statutory Compliance

Facet 3 – Space Utilisation audit

Facet 4 – Functional Suitability Review.

In July 2018, the 4 Facet Survey reports were received, however due to inaccuracies and omissions, these reports were not accepted and Capita was advised to amend and resubmit the reports. A final Facet 1 and 2 report was provided and accepted in November 2018, with the Facet 3 and 4 report accepted on 10th December 2018.

The Facet 1 and 2 reports have provided physical condition ratings across the Pennine estate and also identified any remedial works required in order for all sites to achieve condition rating B – ‘Sound, operationally safe and exhibits only minor deterioration’.

A second independent review was commissioned by NCA in October 2018, to assess the degree of compliance with Statutory and HTM requirements covering the PAT sites, including:

- Fire Safety
- Water Systems
- Electrical Systems
- Gas Equipment
- Ventilation
- Pressure Systems

- Lifts, Lifting and Access Equipment
- Materials and Substances
- Access and Security
- Specialist Services e.g. Decontamination
- Cooling
- Site Wide Services, e.g. Lighting
- Maintenance Management
- Mental Health Considerations
- Food Safety

NIFES have undertaken this deep dive exercise, to review the PAT estate against over 1000 pieces of legislation and their subsets, and the final report was received on 1st November. No high level risks were identified on any of the sites, however there were a number of significant risks which have warranted further investigation. This work is underway.

It is important to note that all of the significant risks identified in the Capita and Nifes reports had already been captured within existing risk registers, backlog maintenance plan or current work plans developed by the NCA.

While the strategic case focussed on Essentia and Capita, there was significant overlap with the findings of the Nifes report (although this report did not assign costs to achieve compliance).

Further work has been underway during Q4 of 2018/19, including:

- Action planning the outputs of the Nifes compliance report and overlaying with Capita Facets 1&2 data
- Assimilating risks identified in all reports with NCA risk registers and normalising scores using the NCA 5+5+5 risk scoring methodology (in line with NCA risk scoring methodology)
- Risk stratification and prioritisation of work plan to address the highest risks – including a bid for Emergency Capital Funding to address immediate high risks. The following 8 areas have been prioritised and investigated in depth (though survey work is still on going in some areas).
 - Fire Safety Systems, Detection and Compartmentation
 - Electrical Safety and Infrastructure
 - Medical Gas Safety and Compliance
 - Water Safety and Legionella Management
 - Asbestos Management
 - General Heating and Ventilation Systems
 - Lift Management
 - Nurse call systems

Business continuity plans are being developed to understand capacity requirements across GM in the event that areas need to be decanted to facilitate remedial works

- Overlaying Capita Facets 3&4 (Utilisation & Functional Suitability) with Facets 1&2 (Physical Condition and Compliance), along with site master planning to understand in more detail the potential redevelopment of the sites, and refining capital plans for the Business Case. Once the full estates Due Diligence and site Master Planning is complete, detailed solutions for the estates needs of the potential new organisations will be produced. This is expected to be complete by 30th September 2019, subject to progression of the transaction timeline as planned.

Much of this work is ongoing and will be refined further over the coming months, once the results of exploratory surveys into key high risks areas are received.

Significant work is underway to develop the Business Case, including in depth reviews of the due diligence outputs and risk profiling, modelling the benefits of the transaction and developing detailed integration plans.

