

FIN(4) AM 19  
Inquiry into Asset Management Survey  
Response from Abertawe Bro Morgannwg University Health Board

The Finance Committee are currently undertaking an inquiry into the process of asset management in the Welsh public sector. This inquiry is considering two main areas:

- **processes involved in the management of the Welsh Government's own estate; and**
- guidance, support and the promotion of good practice by the Welsh Government in relation to asset management across the wider Welsh public sector.

**Further detail on the terms of reference for this inquiry can be found on the committee's webpages.<sup>1</sup>**

The Committee previously called for information,<sup>2</sup> however due to the limited responses received, now requires further evidence in support of this inquiry. In order to properly understand the issues involved and to gain appropriate evidence for consideration, the Committee needs to develop an understanding of how asset management is approached in local government/health bodies.

To this end, we are seeking further detailed information in relation to the process and practice of asset management within your organisation and would appreciate it if you could provide the information requested below, as fully as possible, and provide examples where you feel it is appropriate.

#### Strategic links and leadership

1. How does asset management fit within **the organisation's overall strategy?**

**The asset management is directly linked to the service strategy and delivery plan within the Health Board.**

2. Does the organisation have an overall asset management strategy and published plans which support the corporate objectives?

**This information will be referred to in the soon to be released Clinical Strategy.**

- a. How does this strategy link into the capital investment strategy and wider financial planning? **Directly through the Director of Planning**
3. Who has responsibility for leadership on asset management:
    - a. At a Cabinet/Board level? - **Director of Planning**
    - b. At Executive level? - **Director of Planning**

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<sup>1</sup> National Assembly for Wales, Finance Committee, [Asset Management Inquiry](#)

<sup>2</sup> National Assembly for Wales, Finance Committee, [Asset Management Inquiry](#)

c. At Service level? – Ass Director of Planning(Capital) and Ass Director of Planning (Estates)

4. How are Council/Board Members engaged with property asset management and how regularly does the Council/Board review asset performance?

The Director of Planning has regular meetings with the Ass Director of Planning (Estates) where such matters are discussed. The Health Board reports its estates performance annually as part of the EFPMS return.

5. Is there a dedicated property division or similar? If so please detail its structure and relationship with other service divisions.

The Health Board does not have its own property division choosing to outsource this service to Shared Services Partnership- Facilities Services. It does have an officer to fulfil the liaison role between itself and SSP-FS and legal support.

6. Across the organisations (e.g. at Council/Board, Executive and Service level) can you demonstrate that property is utilised as a corporate resource and enabler of service provision?

Yes each property is linked directly to its clinical strategy and business plan.

#### Systems and Processes

7. Can you demonstrate that property maintenance is supported by adequate information systems? Are these information systems used to:

- Benchmark performance against that of other bodies; and/or
- Link with other relevant systems (e.g. geographical information systems)

The Health Board use a number of information systems across all its properties, the planned preventative maintenance and breakdown maintenance information system is Planet FM, this provides detailed maintenance schedules and allows the Health board to monitor performance on a site by site basis as well as Health Board wide.

For the backlog maintenance records and condition appraisal system the Health Board utilises Oakleaf Property management software, this provides detailed information on the condition of the estate across the Health Board.

Performance against the condition appraisal standards is reported annually to Welsh Government via the EFPMS return.

8. How often does the organisation conduct an options appraisal to ensure that the property maintenance backlog is being managed effectively?

- a. Is there a programme of regular property reviews? If so, what do these consider and how often are they conducted?
- b. Is information on running costs and environmental impact available to the review team?

The backlog maintenance is monitored via the Oakleaf property management software; this is reviewed annually on a site by site basis by the individual estates departments responsible for that property, with the property and backlog information systems updated as part of this process. The backlog maintenance **information and risk assessments feed into the Health Board's Capital program the Assistant Director of Planning (Estates) and the Assistant Director of Planning (Capital) have regular meetings and the backlog maintenance information is shared and influences Capital program.**

9. Can you demonstrate that decisions on new capital projects and other planned works are based on a clear business case, including options appraisal and whole-life costing?

Yes all major business cases go through a rigorous option appraisal and financial evaluation and part of the evaluation takes into account of the whole life. On **discretionary capital schemes whole life costing isn't as detailed but life cycle costing information and experience is used on each scheme.**

10. How does the property division interact with service divisions, what are the arrangements for involvement/support?

The property staff are managed by the Capital section whilst the service divisions are split between the Estates and Hotel Services Divisions. Monthly meeting are held with the Estate Management to review ongoing issues and on a need basis meetings are held with Hotel Services Staff.

#### Resources and value for money

11. What are the levels of resource available, at corporate level, to review property assets and running costs? Is this adequate?

Information on assets and running costs is provided by the Estates function if further information is required for the development of business plans resources are made available as part of the development of the business case.

12. What information on the property costs of the buildings occupied by services is available to senior management, and how is this utilised by them in considering service delivery?

The Health Board report annually via the EFPMS on the costs of FM services against a number of criteria across the full spectrum of facilities services. When considering the services delivery and changes to clinical services the Director of Planning and Performance and the Assistant Director of Planning (Capital) consider these costs as part of the service development process.

13. Does property maintenance have adequate resources to meet its policy objectives and is sufficient priority given to routine maintenance within the budget process?

a. Is funding maintenance linked to the condition of assets?

The maintenance service focuses on its statutory maintenance obligations its structures and services are developed to meet these objectives.

14. Given the current climate of reducing budgets, is there any perception at corporate, or service, level that resources should be diverted directly to front-line services rather than to property management?

The Health Board recognises the importance that its properties and the environment within them has on the provision of health care services. Although there is pressure to ensure the services provided is cost effective the Health Board recognise its obligation to complete its statutory maintenance obligations.

15. Can you provide examples of how the organisation works with partners to achieve economies of scale in asset management?

The Health Board link directly with third party organisation, such as councils and are involved in the setting up of Community Hubs throughout the Health Board with Bridgend and NPT councils. Community Hubs have been set up in Maesteg Hospital, Pyle and at Cimla Hospital. Similar linkafges are made within Mental Health and the Health Board are working in partnership with Swansea Council in setting up a new CDAT.

16. Can you please detail the framework in place to continuously review and improve the performance of property management?

- a. Are there annual performance plans, agreed by Council/Board Members, setting clear targets for improvement?
- b. Does the organisation include this information in public performance reporting?

The Health Board report annually to Welsh Government via the EFPMS on the performance of its property portfolio and facilities services, there are performance targets laid down by Welsh Government against which the Health Board report. The EFPMS report is issued annually on an All Wales basis and is a public document. The health Board also reports elements of its performance including energy performance as part of the annual report.

#### Guidance and good practice

17. What if any, guidance is adhered to in conducting asset management in the organisation?

The Health Board would refer to the guidance on backlog maintenance and relevant HTM's.

18. Do you share good practice and lessons learned on asset management with other organisations/professional bodies, and if so, via what mechanisms?

There are a number of forums facilitated by Welsh Health Shared Services Facilities division over the full range of Estates services.

19. Would a central source of expertise and good practice be beneficial to the Welsh public sector, and if so where should this sit?
  - a. Would training in property/asset management be beneficial?

This historically has been provided by Welsh Health Shared Services Facilities division who have held a number of conferences and workshops on this subject in the past.

20. Would the drive to improve asset management benefit from a repeat of the Wales **Audit Office's 2010 report on buildings** management?

The repeat of the audit is unlikely to raise new findings since 2010 a considered approach to the systems used and the development of a common approach may be more beneficial.