

EUROPEAN HEALTH DESIGN CONFERENCE 2018 LONDON



MAKING HEALTH PROJECTS MORE COMMERCIAL AND SUSTAINABLE
– BRIGHTON GENERAL HOSPITAL AS ONE SUCH EXAMPLE

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OVERVIEW

- Demand for healthcare greatly exceeds funding supply in state health sectors
- OECD noted that by 2060 OECD countries public health sector spending alone would rise as average c6% in 2010 to 10%, or 14.5% if measures to reduce cost not contained
- This economic gap is already being demonstrated by less, or longer access to care & reduced scope
- Poor condition and suitable buildings. Uk £5.55 billion backlog , many Trusts with £50m or more high risk/significant capital backlog
- With less capital, we therefore need to drive commerciality forward, whilst still aiming for aesthetic, functional and sustainable projects

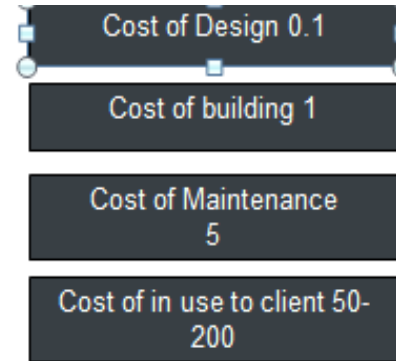


THE PRESENT NHS ESTATE IS SIMPLY NOT FIT FOR MODERN HEALTHCARE PURPOSES

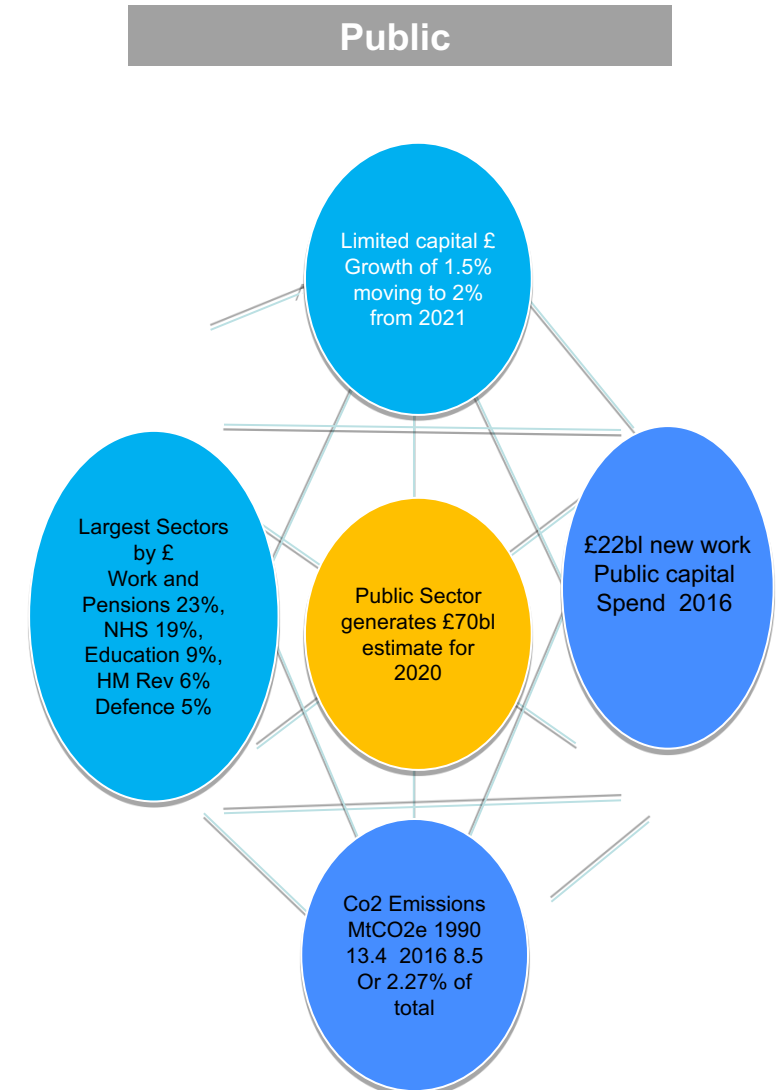
Item	2015/2016	2016/2017	Variance
Gross internal floor area (m ²)	26.8M	26.9M	0.4%
Occupied floor area (m ²)	24.8M	25.2M	1.4%
Not functionally suitable - occupied floor area (average/trust, %)	8.13	9.87	21.3%
Total Not functionally suitable - occupied floor area (m ²)	3.2M	3.5M	8.7%
Total Not functionally suitable - occupied floor area (%)	13%	14%	7.1%
Average/Trust Floor area - empty (%)	3%	3%	0.0%
Total Floor area - empty (m ²)	0.7M	0.6M	-13.0%
Total Floor area - empty (%)	3.0%	2.3%	-21.9%
Total High Risk Backlog	£0.78B	£0.95B	22.1%
Total Significant Risk Backlog	£1.57B	£1.79B	14.3%
Sub Total Backlog	£2.34B	£2.74B	16.9%
Total Backlog	£4.97B	£5.55B	11.5%
Estate pre 1945 (%)	14.0%	13.7%	-2.3%
Estate pre 1945 (m ²)	£3.72B	£3.68B	-1.1%
	2015/2016	2016/2017	Variance
Capital investment for improving existing buildings (£)	£0.95B	£0.95B	0.1%
Capital investment for equipment (£)	£0.38B	£0.30B	-22.1%
Private Sector investment (£)	£0.31B	£0.20B	-37.5%
Investment to reduce backlog maintenance (£)	£0.35B	£0.32B	-8.1%
TOTAL	£2.00B	£1.77B	-11.5%

IN AN ERA OF LESS CAPITAL SPEND....

- Do we pilot enough new ways of working ?
 - LEAN processes count, standardisation reduces business risk.
 - A revenue perspective
 - Drive change every m² for ROI-same space same room concept
 - Atrium & circulation, beloved of architects is often simply walk through space
 - To few Joint public multi-sector locality hubs more Funding imagination
 - Pioneering developments like JVs & @devolution provide levers for supplementing both skills & investment

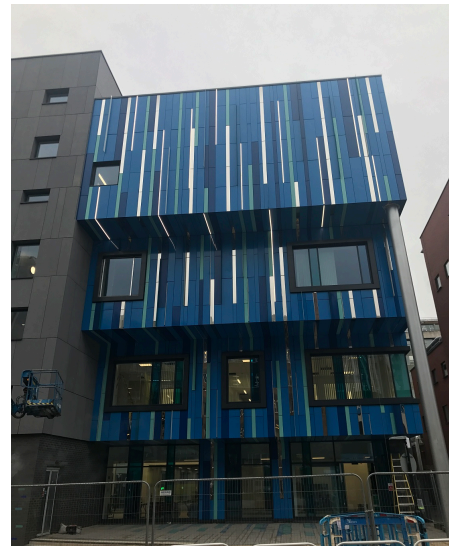


Sources
NAO, ONS.
AMA Research .
Property Industry
Alliance



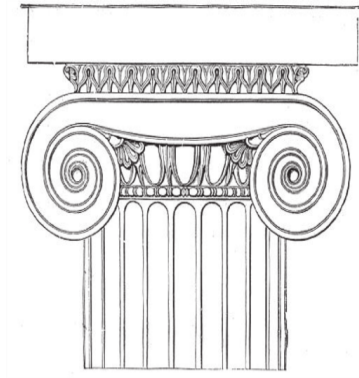
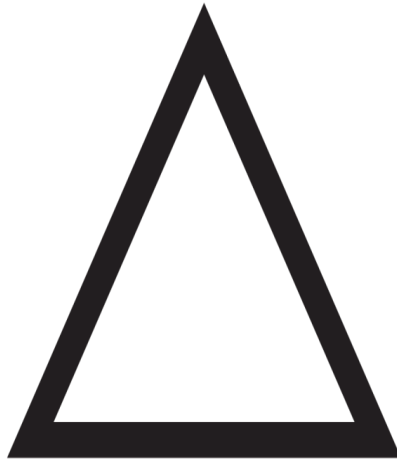
DRIVING COMMERCIALITY

- Benchmark activity, workforce, equipment, FM via evidence based methodology
- Planning frameworks are easing restrictions & need fuller & quicker adoption
- Presumption of offsite manufacturing by 2019
- Measuring economically sustainability, BREEAM Excellent vs SKA etc
- Many commercial assets are not fully utilised in both public and private sector as design is ahead of investment challenge critique
- Simulation modelling at onset to prove business need
- Technology applied like BIM et al has improved delivery



BENCHMARK TO ACHIEVE A BALANCED SCORECARD

BUILD QUALITY
Firmitas – Durable



Utilitas – Useful
FUNCTIONALITY

Venustas – Beautiful
IMPACT



LEARNING FOR DESIGN TEAMS AND PUBLIC SECTOR

- Agree a single measurable set of objectives that you constantly can use to push back to the organisation
- Say no to special pleading
- Think like a developer as Mark Twain famously said “Buy land they’re not making any more of it”
- And given one can only sell it once, push very hard to get an outstanding commercial deal, not simply a deal
- Employ land agents who actually add value to the solution
- Public Sector organisation avoid difficult decisions “projects slip”- quicker decisions lower project costs
- The power of the consortium team, (RLB, IBI, WSP, Savills & KD) to deliver an integrated service vision, which is always stronger than a collection of individual entities



THE OLD WORLD VS NEW WORLD METHODS BGH

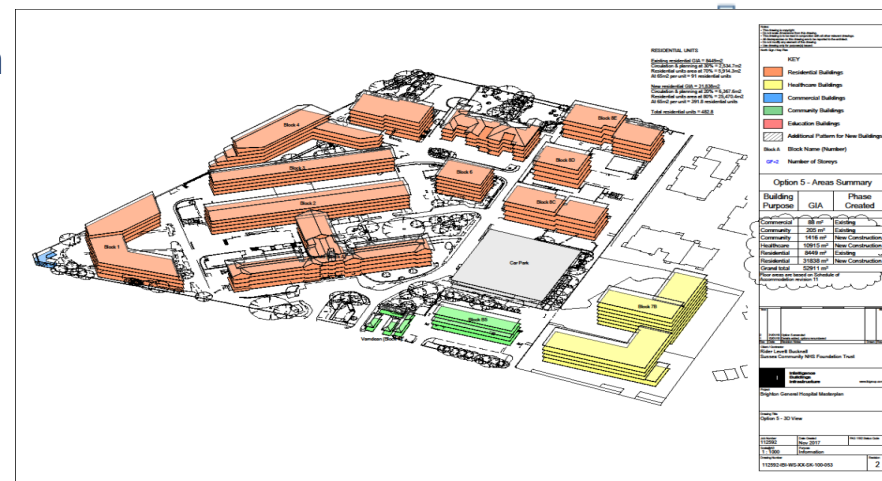
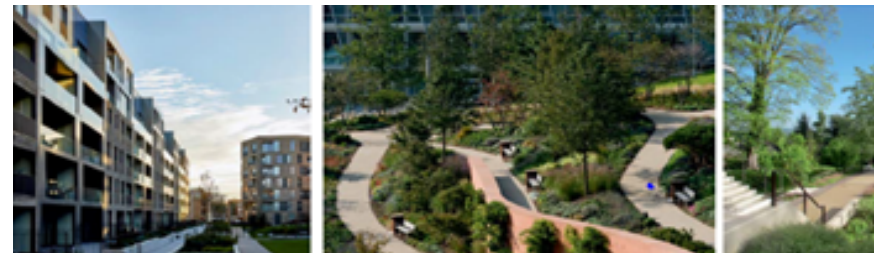
Previous Plan – the old world

- The Trust wanted more than 21,062m² of accommodation on site & 6,517 m² offsite
- This generated a project capital cost estimated at £82.7m at June 2017 cost base
- Land values of £13.7-£21.4m depending on 40-20% affordable homes
- This led to a large affordability gap & a delay without a solution – 5 options all unaffordable with a gap of up to c£44m



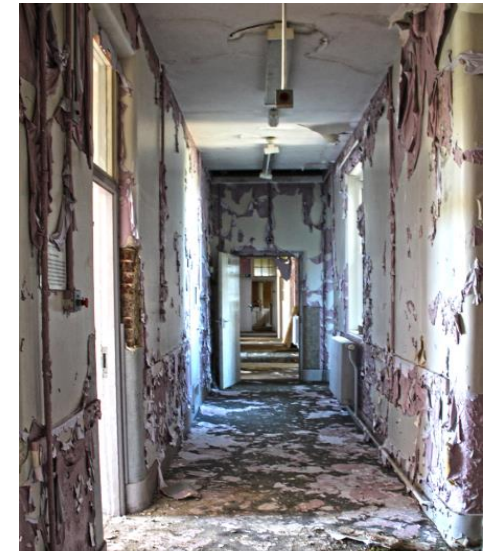
THE OLD WORLD VS NEW WORLD METHODS BGH

- Reduced the onsite area to 10,863m² by multi function standard space and 8,063 m² off site
- Set a baseline for receipts with residential units now at between 500 and 580 across the site which fund development with Pre application planning application & post several planning conversations
- Focussed on smaller housing units – took 3 iterations and zoned residential, commercial & health to optimise
- May move off site HQ and Sussex Rehabilitation tertiary service & lease/rebuild & probably adding a small neighbouring NHS site
- Hub will generate a present day capital cost c £45-55m for the main site plus either lease inputs /or capital build up to £9m offsite
- Offset by generating median capital receipts expected of £65m
- Generating FM savings of approximately c£500k per annum & potential for integrated streamlined care pathways to deliver much more



Brighton General Hospital – The Case for Change

- Dates back to 1860s – built as a Poor Law Institution (workhouse)
- Site undergone many changes of use – became a general hospital in 1948 and had 500 beds at its peak
- Last inpatient bed closed 2009. Now houses range of outpatient services, Trust HQ and a range of administrative and support functions.
- 26,000m² on a 4.6HA site – 20 + buildings, estimated 50% under-utilised (c. 20% void)
- Services fragmented, way finding extremely challenging, disabled access very poor
- Many services, barriers to integration



Brighton General Hospital The Case for change & the Project



- Public sector priorities don't always align, Education, One Public Estate(OPE), Housing, Social Care key priorities ?
- Need to improve community health infrastructure (Putting Community Services Centre Stage), and integrated with acute outpatients, primary care, mental health, social care
- Large acute site nearby currently undergoing major redevelopment and the need for community based services does not justify a site of this size
- Demand for sites (housing and other community use) high, site opportunities few in the city.
- Broad consensus that things need to change
- Significant capital affordability gap in original plans drove a need for a rethink



The components of the new Health Hub at BGH

Summary of on site Project :

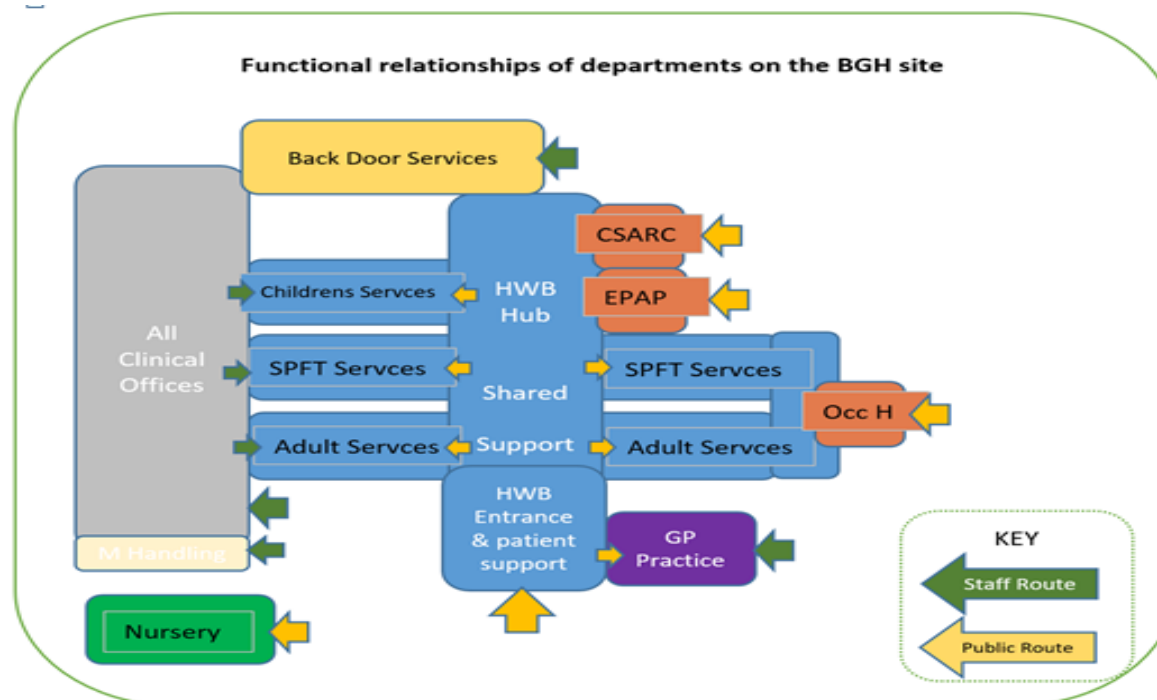
- Reception/café /
- Falls prevention
- Therapies/Podiatry
- Dermatology centre
- Mental Health services
- Early Parenting
- Health and wellbeing hub
- Nursery
- SECamb hub location
- Community hub clinical offices
- Pharmacy Dispensing
- FM
- *Primary Care (GP) – not currently provided on site*

To be Possibly added in the next phase

- Learning Disability user space
- Urgent Care & Diagnostics

Summary of off site Project :

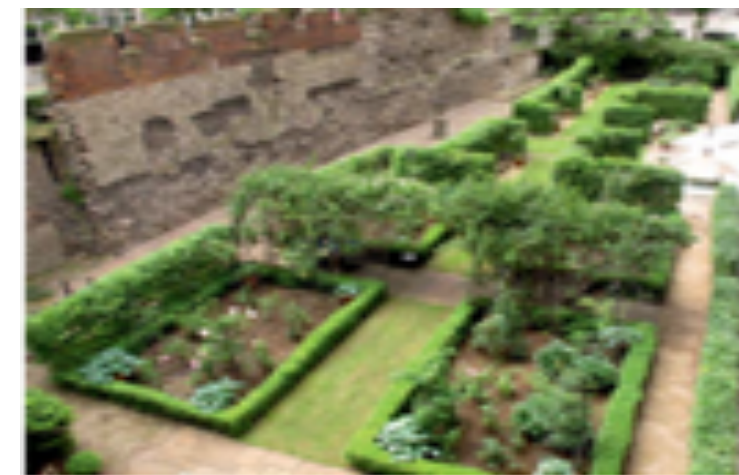
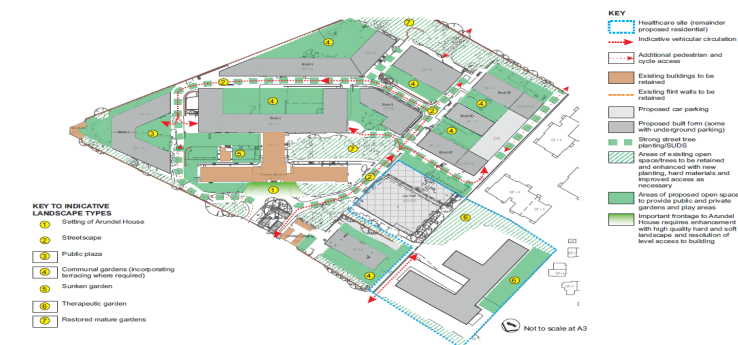
- Sussex Rehabilitation
- Trust HQ
- FM main services
- Community Responsive offices Western Brighton
- Community Responsive Services Central Hub



The Clients perspective learning lessons

Key issues :

- Working with OPE delivers integrated planning and can enhance not only the services to local people but make a contribution to a joined up local response
- OPE allocation – help with feasibility costs gave the project momentum
- Public sector has many internal challenges- we faced the need for a school, demand for housing,
- Multiple stakeholder perspectives can be difficult to reconcile.
- Local politics affects outcomes and can slow momentum
- SCFT as site owner and major occupier in ‘driving seat’ but there are multiple occupiers and tenants – we have no line management of third party providers
- High profile project locally



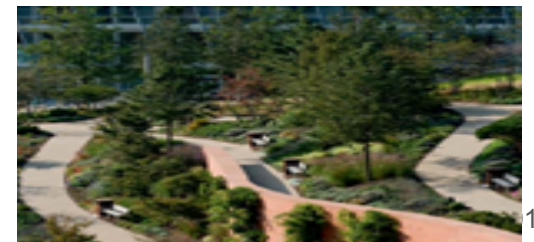
The Clients perspective learning lessons

Key issues :

- Planners can impose will, but often they can work closely to overcome obstacles once a client explains the issues
- Working with stakeholders is an art form not a science
- Winning hearts and minds – patients/service users, staff, partners, other stakeholders
- Getting flexibility into play for long term
- Considering new ways of working to deliver 21st care – making communities of practice a reality.
- Sustainability drivers are a major play in Brighton and the green agenda tends to be lean on impacts
- Hugely complex project, not all factors affecting project environment in our control, but never forget the size of the prize.



Sunken garden examples



4 KEY DRIVERS FOR DELIVERING COMMERCIAL AND AESTHETIC BUILDINGS

Issue	Outcome
Cost efficiency reducing annual operating cost	Commercial and public sector cases increasingly need higher Return on Investment - be radical with all project areas
Reduce backlog maintenance	Schemes must impact on decreasing high & significant backlog
Function	Invest strategic design time early –makes the most difference to users and standardise components
Improving the Environment	Projects must be sustainable ,improve the patient, staff & the visitor total experience Reduce the built impact & lifecycle cost

MOVING FORWARD - CONCLUSION

- Drive developer thinking, aim to try & self fund projects by optimising area, reducing FM/Estates – a revenue not capital focus
- Top quartile investment plans, more dynamic with regular project objectives review
- Grenfell is a public sector wake up call, greater scrutiny of materials & processes
- We must learn to say no to wasteful practice
- Avoid death by analysis decision orientated
- Use the technology REVIT, VR & future BMS etc
- Integrated multidisciplinary working, less clinical silos
- Joint ventures, sovereign wealth funds & use of local authority investment pension plans will be part of the global solution



THE IDEAL DIRECTION OF TRAVEL



System Now in 2018

- Low design margins
- Assembled on site
- Hugely duplicated services
- Capital orientated projects
- Build focussed not commercially focussed
- Add sustainability to total project
- High fixed costs
- Planned as components, architecture, FM commercial
- Awaiting state public capital rounds eg NHS 70



System 2030

- Higher design margins,
- Assembled offsite a good neighbour,
- BIM enabled
- Revenue optimised
- Project Sustainability not just design
- Buildings that are aesthetic and yet functional
- Flexible & highly utilised
- Life cycle orientated . lease/own/outsourced flexible
- One integrated design and commercial team
- Mix of funding packages





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