

Dear Colleague

## A POLICY FOR PROPERTY AND ASSET MANAGEMENT IN NHSSCOTLAND

### Summary

1. This letter provides colleagues with a statement of the Scottish Government's Policy for Property and Asset Management in NHSScotland which establishes the framework for monitoring the performance and management of assets held and utilised in support of the provision of services by NHSScotland.
2. This CEL with attached policy statement supersedes NHS MEL(1999)44: 'Property Management Policy and Other Matters' issued on 5 May 1999.

### Action

3. **Addressees should ensure that a copy of this CEL with attached policy statement is cascaded to all appropriate staff within their area of responsibility.**
4. **The Policy for Property and Asset Management in NHSScotland and associated Mandatory Requirements take immediate effect.**

### Background

5. The 2009 Audit Scotland report '[Asset management in the NHS in Scotland](#)' examined how NHSScotland is strategically managing its assets to support effective service delivery.
6. The 2009 report highlighted that Scottish Government Health Directorates policies and guidance [MEL(1999)44] did not cover all assets and that there was limited monitoring of the way NHSScotland bodies manage their assets within the 1999 policy framework.

CEL 35 (2010)

27 September 2010

### Addresses

For action  
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Chief Executives, Special  
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7. The Audit Scotland report made a number of recommendations for Scottish Government and NHS Boards' action.

The Scottish Government to:

- provide policies and guidance for all types of assets and update current policies and guidance to reflect changes in the NHS and development of new health policies;
- routinely collect information from NHS bodies on the performance of their assets;
- ensure momentum is maintained in the development of the new national estate management system; and
- ensure momentum is maintained in developing the hub initiative to support joint working across the public sector.

NHS Boards to:

- develop strategies for each type of asset and then develop a corporate asset management strategy and plan, which links to their clinical strategies;
- ensure they assess estate condition, statutory compliance, functional suitability and, space utilisation on a regular basis;
- ensure all information on assets is held electronically; and
- review their performance management arrangements and, where required, develop performance measures and targets for assets.

8. Since the Audit Scotland report issued, Scottish Government Health Directorates has been working with Health Facilities Scotland to put in place the tools and systems to support a robust approach to asset management, including the procurement of an Asset Management System for NHSScotland and, the development of appropriate and supporting technical guidance. Now that these tools are in place, the attached policy statement will ensure the implementation of the Audit Scotland report recommendations.

## Further Information

9. A principal requirement of the attached Policy is that all NHSScotland Bodies must have appropriate Board level and supporting governance, with assurance regarding these arrangements provided within Property and Asset Management Strategies (PAMS). Guidance on the preparation of PAMS and on the utilisation of the NHSScotland Asset Management System is available from Health Facilities Scotland.

<http://www.hfs.scot.nhs.uk/>

Yours sincerely,

**Mike Baxter**



Deputy Director, Capital Planning and Asset Management



# A Policy for Property and Asset Management in NHSScotland



Scottish Government  
Health Finance Directorate  
Capital Planning and Asset Management

2010

# BUILDING A HEALTHY AND SUSTAINABLE FUTURE

## A POLICY FOR PROPERTY AND ASSET MANAGEMENT IN NHSSCOTLAND

### Purpose

Property and Asset Management is the strategic management of land, building and other assets including equipment, vehicles and IT which seeks to:

*‘optimise the utilisation of assets in terms of service benefit and financial return.’*

The scope of this policy encompasses strategic property and asset management. Asset management is concerned with the long-term view of all the holding body’s assets, including those held and used by the NHSScotland Body, those held by a NHSScotland Body but used by an external organisation and those held by third parties (such as GP’s/GDP’s) in support of direct service provision.

This document provides a clear statement of the Scottish Government Health Directorates (SGHD) Property and Asset Management Policy and establishes the framework for monitoring the performance and management of assets held and utilised in support of the provision of services by NHSScotland. NHSScotland has a duty to demonstrate best value for money (VfM) use of its resources and assets under the Public Finance and Accountability (Scotland) Act 2000.

The approach set out in this policy document seeks to establish asset management excellence within NHSScotland and builds upon previous policy relating to property management to encompass wider assets held and utilised by NHSScotland in the discharge of its activities. The policy establishes a robust framework against which the planning, delivery, management and disposal of property and other assets is undertaken and assessed.

This policy covers SGHD requirements in each of the 4 key stages in the asset management process. These are:

- Planning;
- Acquisition;
- Operations and Management; and
- Disposal.

The whole of this asset management process is underpinned by a performance management and monitoring framework. This performance framework exists at two levels. The first of these is about providing assurance that the governance and management arrangements within NHSScotland with regard to asset management are robust, fit for purpose and operating appropriately. The second level is more detailed and aimed at providing key and consistent strategic performance data on the asset base at both local and national level.

## Context

The asset base of NHSScotland is valued at approximately £5bn. Most of this value is associated with the estate (land and buildings). Other significant physical assets are vehicles, medical equipment and Information Management and Technology. This policy covers all assets and is focused on the asset management process. It should be considered alongside other asset-related policy statements including those for property transactions, fire safety, environmental management, and sustainability.

These policy statements are intended to direct and underpin the formulation and updating of operational policies covering all asset types. Such operational policies and Property and Asset Management Strategies (PAMS) are important corporate expressions of Bodies intentions and as such should result from an integrated approach to service planning and the appropriate involvement of all stakeholders. Consequently they must reflect and support the agreed agenda for service quality and patient safety as well as supporting clinical and service change.

## Policy Aims

- To ensure that NHSScotland assets are used efficiently, coherently and strategically to support Scottish Government's plans and priorities and identified clinical strategies and models of care.
- To provide, maintain and develop a high quality, sustainable asset base that supports and facilitates the provision of high quality health care and better health outcomes.
- To ensure that the operational performance of assets is appropriately recorded, monitored, reported and reviewed and, where appropriate improved.
- To ensure an effective asset management approach to risk management and service continuity.
- To support and facilitate joint asset planning and management with other public sector organisations.

### Note:

Where this policy document refers to "Essential" and "Non-essential" property, this is in the context defined within the **NHSScotland Property Transactions Handbook**:

**Essential Property:** Property considered necessary for a Holding Body's operational purposes beyond a 5-year service provision planning horizon.

**Non-essential Property:** Property not considered necessary for a Holding Body's operational purposes beyond a 5-year service provision planning horizon.

## POLICY STATEMENTS

### GOVERNANCE

**Statement 1** All NHSScotland bodies<sup>1</sup> must have appropriate Board level and supporting governance, accountability and reporting arrangements in place to ensure the efficient and effective planning, operation, management and disposal of assets.

**Statement 2** All NHSScotland bodies must hold appropriate up to date information to ensure the effective planning, operation, management and disposal of the assets held and utilised in support of service delivery.

### PLANNING

**Statement 3** All NHSScotland bodies must have a current Property and Asset Management Strategy (PAMS) which reflects the foregoing policy aims and which reflects their particular circumstances.

**Statement 4** All NHSScotland bodies must have a PAMS which is technically robust, achievable and affordable within the context of agreed financial plans (capital and revenue). Such strategies should demonstrate clear and explicit links to Scottish Government and Local Delivery Plan objectives, HEAT targets and clinical/service strategies, Local Authority Structure Plans and broader planned outcomes.

**Statement 5** Where NHSScotland bodies are responsible for the delivery of regional and/or national services, the PAMS must reflect the links to appropriate regional and/or national service strategies, priorities and targets.

### ACQUISITION & DISPOSAL

**Statement 6** NHSScotland bodies must ensure that they comply with the requirements of the [Scottish Public Finance Manual](#) to ensure the effective management of the acquisition (by purchase, lease or excambion ) and disposal of assets and to secure value for money in such transactions. Detailed guidance on these matters is contained within **Part B of NHSS Property Transactions - A Handbook for Managers and Advisers**.

**Statement 7** NHSScotland bodies must ensure that they comply with the requirements of the [Scottish Capital Investment Manual](#) to procure new facilities, and secure value for money in such transactions.

## OPERATION AND MANAGEMENT

**Statement 8** All NHSScotland bodies must comply with all requirements laid down by statutes bearing upon the health, safety and welfare of staff, patients and the public in relation to and in respect of the management of the property and other assets which they own or occupy in the performance of their functions.

**Statement 9** All NHSScotland bodies must comply with all requirements laid down by statutes bearing upon the physical access of staff, patients and visitors, to and within the property which they own or occupy. To support this all NHSScotland bodies must have appropriate Board level and supporting governance arrangements in place to ensure compliance.

**Statement 10** All NHSScotland bodies commissioning new property for owner occupation, regardless of the method of financing/ procurement must be satisfied that such property complies with all requirements laid down by statutes bearing upon newly constructed property.

**Statement 11** The Scottish Government Health Directorates will identify mandatory requirements necessary to underpin statutory obligations and to promote the delivery of both wider government policies and policies and strategies for the NHSScotland, and do so in a clear and comprehensive manner.

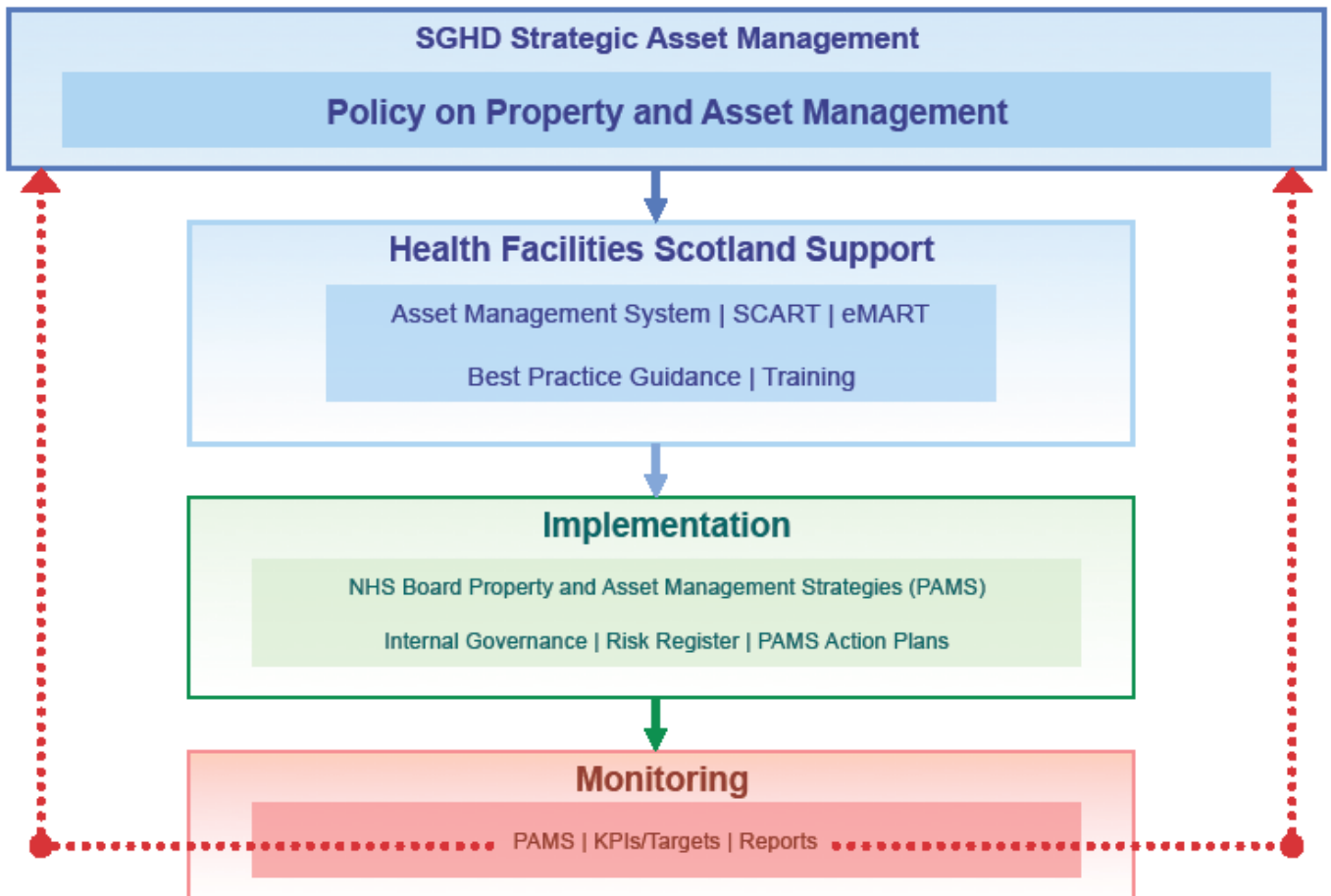
## GENERAL STATEMENTS

**Statement 12** All NHSScotland bodies are required to comply with all guidance published by relevant Authorities in relation to compliance with all statutory and mandatory requirements which are particular to property and asset management. Such guidance may be effected through Health Facilities Scotland and/ or SGHD directly.

**Statement 13** All property and assets used for NHSScotland purposes whether new or existing, owner occupied, leased or provided through PPP, must be managed in accordance with the mandatory requirements set out hereafter.

## MANDATORY REQUIREMENTS

### Governance



1. All NHSScotland bodies must have appropriate Board level and supporting governance, accountability and reporting arrangements in place to ensure the efficient and effective planning, operation, management and disposal of assets. These requirements should be included within appropriate schemes of delegation. Assurance regarding such arrangements must be provided within Property and Asset Management Strategies.
2. Holding Bodies must utilise the NHSScotland Asset Management System as a means of holding property and asset management data in a readily updateable and consistent form. This will enable the production of local and aggregated management reports and statistics as required by both holding bodies and SGHD at national level.
3. Holding Bodies must ensure that the data held is in accordance with the guidance issued by Health Facilities Scotland which can be accessed at <http://www.hfs.scot.nhs.uk>



4. Full condition surveys of property assets should be carried out at least once in every 5 years and reviewed/updated as necessary in between. If, however, the nature of the existing property asset and/or the need to maintain up to date information to support a fast moving change agenda demands it, then full surveys may be required at lesser intervals. It is recommended that a rolling programme of surveys be implemented resulting in complete re-survey every 5 years i.e. 20% per annum re-surveyed. In addition NHS Boards will be required to update their Estate information on a continual basis where capital and/or major maintenance work has been undertaken.
5. All NHSScotland bodies must ensure an appropriate structure of suitably qualified staff to provide the comprehensive management of the estate, covering all statutory and mandatory requirements including the appointment of Authorised and Competent Persons. The team requires to demonstrate a suitable range of qualifications, be experienced and up to date, and capable of delivering the informed client role when commissioning support from external sources.
6. Holding bodies must ensure that as part of their workforce planning processes, the need for maintenance of appropriate skills, the skills development of staff and succession planning arrangements relating to property and asset management activities are adequately addressed.

### **Strategic Asset Planning**

7. All NHSScotland bodies must have a Property and Asset Management Strategy (PAMS) which is reviewed and approved by its Board annually. The PAMS will be prepared in accordance with the detailed guidance “Strategic Property and Asset Management Guidance for NHSScotland – Developing a Property and Asset Management Strategy (PAMS)” which has been developed by Health Facilities Scotland and is available at <http://www.hfs.scot.nhs.uk>
8. The PAMS and associated capital investment programme must be submitted annually to the Capital Planning and Asset Management Division of SGHD in a timeframe consistent with the submission of Local Delivery Plans. This will enable a review of not just the PAMS but will enable the linkages between the Local Delivery Plan and PAMS to be assessed. The submission of PAMS will also support strategic decisions on future priorities as well as the monitoring and reporting of performance in the management and utilisation of the NHSScotland asset base.
9. In addition to assets owned by the holding body the PAMS must include a section dealing with the planning, management and performance of non NHS property and assets utilised for the provision of NHSScotland services e.g. Independent Contractors (including GP's/ Dental premises) and leased premises. *(Separate guidance on this aspect to be developed)*
10. A Holding Body's PAMS must include targets for the translation of non-essential assets to subsequent disposal. This information should include key milestones/ decision points in order that progress in realising disposals can be monitored.

11. A Holding Body's PAMS must contain a commitment to maintain compliance with existing statutory requirements and to achieve compliance as appropriate with new statutory requirements.
12. Where a Holding Body does not or cannot reasonably comply with existing statutory requirements its PAMS must include identified solutions or reasonably acceptable alternatives, preferably agreed with the relevant statutory regulatory body, for addressing non-compliance using a risk management approach where appropriate.
13. A Holding Body's PAMS must identify the age, physical condition, functional suitability, space utilisation and energy performance of both its essential and non-essential property. The PAMS must also contain appropriate measures consistent with the minimum datasets and Key Performance Indicators (KPI's) in Annex 1 and 2, relating to equipment, vehicles and IT.
14. A Holding Body's PAMS must include targets for improving physical condition, functional suitability and space utilisation of its essential property where that is considered necessary to achieve the policy aims and to ensure continuing compliance. This should be expressed as targets for the following year, three years, five years and ten years.
15. The PAMS must include a section dealing with the engagement with other public sector organisations regarding the arrangements in place or in development to support the delivery of joint asset planning and joint premises development. This should include specific development actions and objectives with key milestones/ deliverables.
16. The Financial plans submitted annually as part of the Local Delivery Plan process will demonstrate how the PAMS is to be funded and implemented in both capital and revenue terms within the context of the NHSScotland body's overall financial strategy. The PAMS should explicitly state the capital and revenue resources being applied in support of the asset base and the impact of these resources on projected asset performance i.e. condition, backlog maintenance, reduced risk.
17. NHSScotland Bodies must use a risk based approach for the assessment of priorities for investment and reporting of backlog maintenance. Guidance on the assessment of backlog maintenance is contained in "A Risk Based Methodology for Property Appraisal" which has been developed by Health Facilities Scotland and is available at <http://www.hfs.scot.nhs.uk> .

## Acquisition and Disposal of Property

18. Holding Bodies must comply with the mandatory requirements for the disposal of property by sale, lease or excambion, and the acquisition of property by purchase, lease or excambion. These requirements are established within the Scottish Public Finance Manual and supported by guidance as set out in **Part B of NHSS Property Transactions - A Handbook for Managers and Advisers**.
19. Holding Bodies must provide Property Transaction Monitoring Reports for the preceding financial year as set out in **Part B of NHSS Property Transactions - A Handbook for Managers and Advisers** to SGHD Capital Planning and Asset Management Division no later than 30<sup>th</sup> October annually.
20. A Holding Body must support national and local healthcare priorities by identifying its essential and non-essential property. Essential property is defined as land holdings or buildings considered necessary for operational purposes beyond a 5 year planning horizon.
21. A Holding Body must demonstrate that it is making effective use of its existing property or demonstrate through the business case process that its existing land and buildings are unsuitable, before acquiring new land or committing itself to capital investment in new buildings on new or existing land. In these cases holding bodies must follow the guidance set out in the Scottish Capital Investment Manual.

## Operation and Management

22. NHSScotland bodies must comply with all statutory requirements relating to the inspection, operation and management of assets.
23. NHSScotland bodies must utilise an appropriate audit risk system to record compliance with statutory requirements and any necessary actions associated with identified risks must be recorded and regularly updated in the system. The electronic Statutory Compliance Audit Risk Tool (SCART) system is recognised by SGHD as the exemplary tool towards achieving these goals. The resulting action plans will inform capital/ revenue investment plans for each holding body as required.
24. The operation and management of assets should comply with best practice guidance available from Health Facilities Scotland. <http://www.hfs.scot.nhs.uk>

## Medical Equipment

25. A Holding body must ensure that it has appropriate arrangements in place for the effective management of medical equipment. **Annex 3** sets out guidance on the governance and management arrangements required to support this requirement.

## Performance Reporting

26. The PAMS will contain an assurance assessment of the governance and management arrangements in respect of assets to confirm that these are in place. Holding bodies will be expected to provide quarterly highlight reports and annual PAMS using the format described in the HFS PAMS Guidance.

27. NHSScotland Bodies will report against mandated KPI's. This data will be collated into an all Scotland Report on the performance of the NHSScotland asset base. These KPI's are detailed at [Annex 2](#). Such arrangements will apply for the year 2010-11 forward. Detailed arrangements and guidance will be issued regarding data collection and reporting.

## General

28. A Holding Body must provide its PAMS and information on property/asset management performance to SGHD as and when required.

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<sup>1</sup> NHSScotland bodies in the context of this document means all Health Boards, Special Health Boards and the Common Services Agency performing functions on behalf of Scottish Ministers

## MINIMUM DATASETS

### Estates

a) The minimum dataset for NHSScotland Estates as specified in “Estates Asset Management Property Appraisal Manual” prepared by Health Facilities Scotland and available at <http://www.hfs.scot.nhs.uk>

### Medical Equipment

a) Minimum Management Statistics to be held

- **Financial**

- Capital Expenditure - purchase
- Revenue Expenditure - purchase, maintenance and support
- Lease Expenditure - lease payments
- Total Replacement Value - fixed assets and non capitalised
- Net Book Value
- Annual Depreciation
- Maintenance Expenditure - commercial third party, in house, other NHS
- Investment in training
- Leasing arrangements - cost, duration

- **Other**

- Usage statistics
- Age Profile
- Clinical Speciality/ Department

b) Dataset for Individual Items of Equipment

- The establishment of an electronic inventory of medical devices and equipment, including:
  - Serial Number
  - Location
  - Model
  - Make
  - Supplier
  - Purchase/Acquisition Date and manufacture date if different;
  - Purchase Cost
  - Expected/Standard Life
  - Annual Depreciation
  - Estimated Replacement cost
  - Maintenance Information (Contract type and coverage)
  - Planned Preventative maintenance and repairs
  - Service histories (including software version for upgrade purposes.

- The planned replacement programme for medical devices and equipment. In addition factors to consider outwith the planned programme in assessing whether a device or equipment requires replacement include that the item is:
  - Worn out beyond economic repair.
  - Damaged beyond economic repair.
  - Unreliable (based on service history).
  - Clinically or technically obsolete.
  - Spare parts are no long available.
  - Superseded by a more cost effective or clinically effective device or equipment.
  - Unable to be cleaned or decontaminated effectively.

### Vehicles

#### a) Minimum dataset to be recorded

- Asset Register reference (for fixed assets)
- Serial Number
- Location
- Model
- Licence requirements (Driver and Operator)
- Make
- Supplier
- Purchase/ Acquisition Date
- Purchase/Lease Cost
- Estimated Disposal Cost
- Fuel type
- CO<sub>2</sub> Rating
- Expected/ Standard Life
- Annual and cumulative mileage
- Annual Depreciation
- Estimated Replacement cost
- Maintenance Information (Contract type and coverage)
- Planned Preventative maintenance and repairs
- Service Histories
- Accident reports
- Active/Passive Passenger/Pedestrian safety rating

### IM&T

#### b) Minimum dataset to be recorded

- Asset Register reference (for fixed assets)
- Serial Number
- Location
- Model
- Make
- Supplier
- Purchase/Acquisition Date

- Purchase Cost
- Expected/Standard Life
- Annual Depreciation
- Estimated Replacement cost
- Maintenance Information (Contract type and coverage)
- Planned Preventative maintenance and repairs
- Service Histories

## KEY PERFORMANCE INDICATORS - PREMISES

### Age profile

- a) Age profile of NHS Owned/leased essential estate ( pre 1900, 1900-1960, 1961-1980, 1981-2000, 2001 and later). This should include those facilities funded under PFI/PPP.
- b) Age profile of essential estate used in support of direct healthcare - e.g. those owned/leased by independent contractors - (pre 1900, 1900-1960, 1961-1980, 1981-2000, 2001 and later). This should include those facilities funded under PFI/PPP.

### Functional Analysis

- a) Profile of NHS owned/leased estate by number and m<sup>2</sup> in the following categories:
  - 1. Acute hospitals
  - 2. Children's hospitals
  - 3. Maternity hospitals
  - 4. Specialist hospitals
  - 5. Mental Health hospitals
  - 6. Community hospitals
  - 7. Older people hospitals
  - 8. Multi-service hospitals
  - 9. Health centre
  - 10. Clinics (including day hospitals and resource centres)
  - 11. Offices
  - 12. Support facilities
  - 13. Staff residential accommodation
  - 14. Patient residential accommodation
  - 15. GP Practice
  - 16. Dental Practice
  - 17. Pharmacy
  - 18. Optician
- b) Profile of total estate including those owned/leased by independent contractors by number and m<sup>2</sup> in the above categories.

### Essential and Non Essential Holdings (as defined in the NHSS Property Transactions - A Handbook for Managers and Advisers)

- a) % of NHS Owned/leased buildings categorised as essential as % of total NHS Owned/leased buildings.
- b) % of NHS Owned/leased land categorised as essential as % of total NHS Owned/leased land.



- c) non-essential land holdings (hectares) owned/leased.
- d) Area of NHS Owned/leased land categorised as non-essential expected to be disposed of within 3 years, between 3 and 5 years and more than 5 years as % of total Area of NHS Owned/leased land categorised as non-essential.

### **Physical Condition**

- a) Analysis of physical condition of NHS owned/leased essential estate by % in category A, B, C and D.
- b) Analysis of physical condition of essential estate including those owned/leased by independent contractors by % in category A, B, C and D.
- c) % of NHS owned/leased essential estate at condition B or better as % of total NHS Owned/leased essential estate.
- d) % of Essential estate including those owned/leased by independent contractors at physical condition B or better as % of total essential estate.

### **Statutory Compliance**

- a) Analysis of statutory compliance of NHS owned/leased essential estate by the amount (£), split by risk category (Low, Moderate, Significant, High), required to address any outstanding Statutory Compliance items.
- b) Analysis of statutory compliance of essential estate including those owned/leased by independent contractors by the amount (£), split by risk category (Low, Moderate, Significant, High), required to address any outstanding Statutory Compliance items.

### **Functional Suitability**

- a) NHS Owned/leased essential estate at category B or better (acceptable or high degree of satisfaction) as % of total NHS Owned/leased essential estate.
- b) Essential estate including those owned/leased by independent contractors at category B or better (acceptable or high degree of satisfaction) as % of total essential estate.

### **Space Utilisation**

- a) NHS Owned/leased essential estate empty or underused at category B or better (acceptable or high degree of satisfaction) as % of total NHS Owned/leased essential estate.

- b) Essential estate including those owned/leased by independent contractors at category B or better (acceptable or high degree of satisfaction) as % of total empty or underused.

### Backlog Maintenance

- a) Level of backlog maintenance by risk category as described in the HFS guidance “A Risk based Methodology for Property Appraisal” within NHS Owned/leased essential estate.
- b) Level of backlog maintenance by risk category as described in the HFS guidance “A Risk based Methodology for Property Appraisal” within NHS Owned/leased essential estate. Essential estate including those owned/ leased by independent contractors.
- c) % of backlog categorised as significant/ high risk.

### Environmental Performance

- a) Progress on delivery of the H.E.A.T. Target for carbon emissions reduction and energy efficiencies and update on risks associated with target delivery as identified within the Board Local Delivery Plan Risk Narratives.
- b) Analysis of performance in relation to the absolute and weather-corrected variances and Key Performance Indicators produced through the Health Facilities Scotland Environmental Monitoring and Reporting Tool (eMART) across the following three main streams:
  - **Energy**
  - **Water**
  - **Waste**

Performance must be set against the following categories:

- **Estate size:** volume and expenditure
- **Staff bed numbers:** volume and expenditure

### Office Accommodation

- a) Cost per m<sup>2</sup>
- b) Cost per Whole Time Equivalent (WTE)
- c) Space per person (m<sup>2</sup>)

## KEY PERFORMANCE INDICATORS – VEHICLES

Monitoring of NHS Board Fleet Management Strategy Performance through:

- a) Fleet use
  - **Vehicle downtime:** the number of days service lost due to maintenance and repairs
  - **Vehicle availability:** the number of days the fleet was available for use
  - **Vehicle utilisation:** whether fleet size is optimal to meet service demand
  
- b) Compliance
  - **Number of accidents:** to highlight staff training requirements
  - **Number of vehicle defects:** to highlight maintenance issues adding to operational costs
  - **Number of voluntary vehicle check failures or first-time passes** (e.g. Freight Transport Association)
  - **Number of MOT failures or first-time passes:** to measure performance of maintenance provider
  
- c) Operational/Environmental
  - **Fuel usage (miles per gallon):** to highlight staff driving training requirements, fuel inefficiencies, new vehicle selection
  - **Total fleet mileage:** to monitor reasons for increase (fuel typically can account for 20-30% operating costs)
  - **Green indicators (CO<sub>2</sub> emissions related to fuel type):** to inform Fleet Management Strategy with a view to reducing costs, support environmental policy and compliance with statutes
  
- d) Costs
  - **Maintenance cost per vehicle:** to monitor cost against vehicle type, overcharging by maintenance provider, vehicle damage through misuse
  - **Replacement hire costs** during maintenance period
  - **Tyre cost per vehicle:** to inform of excessive tyre damage or cost-related issues associated with tyre type
  - **Insurance cost per vehicle:** this can be reviewed and linked to number of accidents
  - **Fuel cost per vehicle:** to be used as part of the total cost per vehicle calculation
  - **Operating or running cost per vehicle:** when split by vehicle type may highlight vehicle services which would be better contracted out
  - **Cost per kilometre or mile:** measurement for vehicles operating fixed amounts of mileage to provide a specific service

**KEY PERFORMANCE INDICATORS - MEDICAL EQUIPMENT**

- a) Expenditure on Equipment (capital, direct revenue and leases)
- b) Expenditure on Maintenance (commercial, in house, other NHS)
- c) Adverse Incident rates (number of incidents reported each month)
- d) Staff training levels (number of staff trained and tracked as % of total staff who should be trained)
- e) Equipment down time (hours per month)
- f) Maintenance schedules adhered to (% of equipment achieved by scheduled date)
- g) Usage of major Equipment (patient throughput)

**KEY PERFORMANCE INDICATORS – IM & T General**

- a) Annual capital IT spend as % of total capital spend
- b) Confirmation of an up-to-date IT Asset register (hardware and software)
- c) Confirmation of approval of all IT Business cases by SGHD eHealth directorate

## MEDICAL DEVICE AND EQUIPMENT MANAGEMENT

### Background

The Scottish Government asset management policy for NHSScotland sets out the core data set of information which NHS Boards should hold about their medical devices and equipment. This guidance provides further support to NHS Boards on the structures required to ensure that medical devices and equipment are managed appropriately.

### Accountability

**Board level responsibility** for medical devices and equipment management should be defined and clearly supported by clear lines of accountability through the organisation, leading to the Board.

Medical devices and equipment represent a substantial asset for NHS Boards. Accordingly, clear leadership at NHS Board level is essential if they are to be managed strategically.

The Chief Executive has overall responsibility for the NHS Board affairs and, to support that, an Executive Director should be designated as responsible for medical devices and equipment as part of overall Asset Management responsibility.

In particular, the designated Executive Director should monitor the following:

- performance against the key performance indicators (KPIs) as noted below;
- expenditure on Equipment (capital, direct revenue and leases);
- total replacement value (for assets on Fixed Asset Register)
- estimated replacement value for non capitalised equipment items;
- net book value;
- depreciation;
- maintenance expenditure (commercial, in house, other NHS);
- investment in training on equipment;
- leasing arrangements; and
- Usage of major items of equipment.

To support the Designated Executive Director, the **Equipment coordinator** appointed within each NHS Board [see [CEL 43 \(2009\)](#) ] will be responsible for:

- ensuring managers and staff are aware of the procedures for reporting adverse incidents and for implementing safety advice;
- monitoring all adverse incidents reports from within own organisation;
- receiving emails from Health Facilities Scotland (HFS) notifying of alerts and bulletins, and cascading within own organisation;
- monitoring relevant websites for information on equipment safety and management issues;
- discussing equipment safety issues with HFS;
- promoting equipment safety by staff education and training in conjunction with HFS;
- building and maintaining communication links with HFS;
- attending Equipment Co-ordinators' conferences and seminars; and

- monitoring internal cascade systems to ensure alerts are received, assessed and acted on.

It is particularly important that the Equipment Co-ordinator is integral to the NHS Board's risk management structure and that they have clear lines of accountability to the designated Executive Director. Given this, they should be trained in risk assessment techniques (as part of their personal development plan, ensuring that appropriate records are kept) and should encourage improvements in work practice to progressively minimise or remove patient or user risk and stimulate continued improvement. In particular the risks associated with medical devices or equipment should be included in the NHS Board risk register.

The coordinator should ensure that the sufficient information and reporting is made to the NHS Board's risk management group on the efficacy of the medical devices and equipment. There are a number of approaches which include:

- review of adverse incidents;
- review of alerts and safety information from manufacturers;
- review of Audit reports;
- workshops with staff; and
- feedback from professional users, patients and the public.

**Medical Devices and Equipment Group** should be established, and led by the designated Executive Director and including appropriate representation from medical, nursing, allied health professionals, HAI, Medical Physics, engineering etc to improve communication between the various groups of stakeholder.

The group's remit should incorporate advising the NHS Board on:

- Purchasing and acquisition of medical devices and equipment, including comparisons of alternatives, reliability of ongoing support and the opportunities to rationalise the number of models or types of medical devices or equipment in use.
- Technical specifications, regulatory compliance information and related issues.
- Financial data, including consideration of full on-costs (ie running, maintenance and consumable costs) when preparing a medical device or equipment business case, and including disposal (taking into account legislative requirements, eg WEEE regulations etc) and replacement costs at the appropriate time.
- Preparation of decontamination guidelines for medical devices and equipment.
- Coordinate the medical device and equipment inventory, including the core data set included in the Asset Management policy and any other data required by the NHS Board.
- Oversee training on the use of medical devices and equipment, including ensuring that all users have access to the latest manufacturer's instructions.
- Oversee arrangements for the management and maintenance of medical devices and equipment.

## NHS Board wide policy and procedure for the management of Medical Devices and equipment

This should set out:

- The process for the selection and procurement of new medical devices and equipment, taking into account:
  - guidance provided by National Procurement and/or Health Facilities Scotland;
  - the needs and preferences of professionals and end-users;
  - consistency and control to ensure that value for money is achieved.
- Assessing whether purchase, lease or any other form of procurement (ie loan or in-house manufacture) would be the most appropriate procurement route.
- The process for the selection and procurement of medical devices and equipment.
- The establishment of an electronic inventory of medical devices and equipment which contains all necessary information required for an NHS Board to properly manage its medical devices and equipment is recorded on a suitable system.
- The process for commissioning new medical devices or equipment, including delivery checks, safety checks pre-use checks and decontamination and training requirements.
- The storage, maintenance and repair of medical devices and equipment including decontamination when required (ie before use, after maintenance, before storage etc), tracking, recall, replacement and disposal policies. This includes ensuring the correct power lead is kept with the device or equipment.
- Governance arrangements for medical device developments, modifications and trials to ensure they are carried out in accordance with relevant legislation and guidance. It should:
  - Set out clearly where responsibilities and liabilities lie, particularly where developments may be carried out in conjunction with external parties such as universities, manufacturers etc.
  - Where developments are undertaken in-house, ensuring that, where required, the Medical Devices Regulations are complied with and that adequate documentation is provided – detailed guidance is available from the Medicines and Healthcare products Regulatory Agency (MHRA).
  - Ensuring that the appropriate indemnities are in place for equipment on trial.

## Processes

**Instructions** - Users of medical devices and equipment must have access to the manufacturer's instructions, including revised and updated instructions. Where the instructions are lengthy, consideration should be given to attaching to the device or equipment of *Instructions for Use* (IfU), preferably provided by or in conjunction with the manufacturer.

Good clear instructions including IfU have a crucial role to play in the safe and effective use of medical devices and equipment. The instructions or IfU include information on the safe use of the medical device or equipment, the nature and frequency of maintenance and calibration required to ensure the device operates correctly and any special handling or storage requirements.

Extra care is required where the end-user is a patient for whom the device or equipment has been prescribed.

NHS Boards may, in the event of litigation, be required to provide evidence that instructions (verbal or written) have been passed on to users. Accordingly good records should be kept about instructions passed to users.

Additionally where instructions or IfU are revised, these should also be made available to users and a record kept that this has been done.

Any additional instructions supplied by NHS Boards must be evaluated for their adequacy. For example, where instructions may need to be customised to meet the local needs of users or if two devices are being connected in a novel way (eg connecting a blood analyser to a computer system to automatically update patient records. NHS Boards should therefore ensure that any such instructions are adequate. The following check list should be considered:

- Placement – should the instructions be placed on the device or equipment or supplied as a leaflet?
- Content – instructions must be precise and clear and include commonsense advice.
- Print size – needs to be adequate to meet the needs of users.
- Technical or difficult language – should be avoided as end-users may lack technical knowledge. Instructions must be precise and clear.
- Translations into English – care must be taken to ensure that the meaning of the original language is preserved.
- Translations into other languages – as with English instructions, these should be precise and clear and be appropriate for the use of the device or equipment.

NHS Boards may wish to clear their instructions with the manufacturer or asking the manufacturer to meet the needs of the particular circumstance.

**Delivery and pre-use checks** are carried out on all newly delivered medical devices and equipment.



**Storage** - All newly delivered medical devices and equipment is properly stored after acceptance.

**Prescribing** - All prescribing decisions concerning medical devices or equipment are made by staff with appropriate qualifications and suitable experience, backed by appropriate administrative and technical support.

**Accreditation** - Any in-house medical device or equipment maintenance department is externally accredited.

