



Unlocking capital – what is the role of construction in the future of healthcare?

GRAHAM's Healthcare Director is confident that construction has a "positive role" to play in shaping the future direction of the healthcare sector but warned the industry must be "smarter" in turning capital projects into a reality.

Keith Hayes delivered his expert analysis as part of a wide-ranging panel discussion during Place North West's 'Healthcare Property Update' event at the Museum of Science and Industry in Manchester in May.

Over 130 delegates attended the session, which was sponsored by GRAHAM, Curtins, IBI Group and Wardell Armstrong, to listen to the engaging debate on how the changing face of healthcare will influence property and construction throughout the North West of England.

Joining Keith in the examination of key issues such as estate rationalisation were Jason Dawson (Director of Capital, Estates and Facilities at The Christie NHS Foundation Trust), Tracy Paine (Deputy Chief Executive of Belong Villages), Neil Grice (Estates Lead for the Greater Manchester Health and Social Care Partnership), John Knape (Frameworks Director at IBI Group) and Jayne Traverse (Regional Manager for One Public Estate).

Despite the differing backgrounds of the panellists, there was consensus among the group that cross-sector and regional collaboration would be key for healthcare to maximise efficiency and seize the opportunities presented by new technology.

Collaboration and partnership

"It's clear that if public sector agencies work together with the private sector then capital can be unlocked. The healthcare sector presents significant opportunity for major contractors like GRAHAM and also regional constructors and suppliers," said Keith who has been instrumental in securing GRAHAM's place on the Department of Health Procure 22 Framework.

"Through collaboration, and tapping into the skills of the right people, there are opportunities to maximise income, particularly from land release. But it's clear that land sales will not be enough to finance the extent of development to modernise the NHS estate in the North West.

"Innovative solutions need to be developed by the industry to tap into the opportunities available. The NHS is still spending money on capital projects, so as an industry we need to be smarter in helping them turn those projects into reality."

As pressure on healthcare spending continues to mount, the NHS is suffering, not least under the increasingly complex demands of an ageing population.

Indeed, a joint Institute of Fiscal Studies and Health Foundation report, which was commissioned by the NHS Confederation, indicated that the NHS requires an urgent increase in government spending to prevent it slipping further into crisis.

The report, published in May 2018, also predicted that sustainable long-term funding for the NHS could potentially cost £2,000 per annum for every household in Britain.

Planned spending for the Department of Health in England is approximately £124.7 billion in 2017/18.

Meanwhile in June, the government announced its proposed funding plans for the NHS England budget that would result in an increase by 3.4% a year on average over the next five years. It stated that by 2023/24 the NHS England budget will "increase by £20.5 billion in real terms compared with today".

However, it remains unclear as to how much of this funding will flow towards capital projects.

Transformation in healthcare

Against this backdrop, what role can construction play in future-proofing the Health Service and positively influencing the health sector as a whole?



"At GRAHAM, our record and success has been very much focused on working in partnership with the NHS and Local Trusts in the delivery of bespoke, cost effective solutions including innovative streams of equity and investment," added Keith, who joined GRAHAM In 2016.

"Healthcare is changing and there is consensus that its future direction will be towards the development of more services that are delivered in the community and closer to people's homes and places of work. There is also a wider move across the Public Sector to develop standardised solutions in either design or construction.

"There is a strong case for the development of standard designs and modular construction methodologies for the delivery of these.

"The construction industry is already engaged with this direction of travel and through the work of PSCs (Principal Supply Chain Partners) on P22 (Procure 22 Framework) we are already engaged in the development of standard components, assemblies and repeatable room designs."



Monklands Hospital

In fact, a single design enabled GRAHAM's NHS Lanarkshire Framework team to standardise features across three projects in East Kilbride, Kilsyth and Wishaw, which facilitated approximately 10% in savings in supply chain cost, capital cost and on-going maintenance. GRAHAM also provided a 24% share of £4.65m equity in the project.

This commitment to partnership, and innovative problem-solving, has strengthened GRAHAM's reputation in the healthcare sector throughout the UK and Ireland.

As evidence, in 2017 the GRAHAM-BAM Healthcare Partnership's Inpatient Ward Block at the Ulster Hospital (£85m) was named as the overall winner at the Construction Excellence Awards.

GRAHAM has also developed a proven track record of connecting health, social care and council services in the heart of local communities. It was responsible for the design and construction of three 'one-stop-shop' partnership centres in Edinburgh and West Lothian. Delivered by hub South East on behalf of NHS Lothian, and its Council partners, the £27.6m project included an All-Care Centre in Pennywell, a Health Centre in Allemuir and a Partnership Centre in Blackburn.

The model of the future

Integrated Primary Care Hubs have become an increasingly prominent model, and Keith believes the trend is set to continue given the shifting priorities in healthcare provision.

"The creation of Primary Care Hubs is a fundamental enabler in the delivery of more services outside of the Acute Hospital System. The need to reduce admissions into A&E can be facilitated by intervention earlier and closer to home," said Keith.

"We've seen the positive impact that innovation in design can make in resolving some of these issues and significantly enhancing the delivery of social care. For example, creating the space where GP practices, pharmacies, and step down inpatient beds are all in one development could be one way that assists in reducing 'bed blocking' patients in hospitals. With GRAHAM, we have seen first-hand how these Hubs work effectively. The feedback from the end users has been overwhelmingly positive, which speaks volumes."

Technological advancement

Technology is also set to play a major role in transforming the healthcare sector. Surgical innovation is already shaping the design and functionality of hospital estates.

The balance is shifting from conventional operating theatres to hybrid theatres, which are specifically designed for imaging and the use of advanced technologies.

Technology is so sophisticated that 3D modelling of body parts using bio-texture models is significantly improving surgical procedures. Artificial Intelligence is further revolutionising surgery.

A consequence of this advancement now means that patients are beginning to expect even more from hospital environments.

All of this has major implications for construction.

"The speed of technological advance means that buildings that are designed with anything up to a 60-year lifespan must be designed to be flexible and allow easy adaptation for future change use," continued Keith.

"It must also facilitate the incorporation of robotic and automated options that are now commonplace in surgery and pharmacies. In addition, there is also the increasing use of telemedicine and remote surgery to factor in.

"As an industry, construction must keep pace with these changes and ensure that it is capable of meeting the future needs of health professionals and patients."

Funding frustration

In contrast to the dynamism and energy associated with technological innovation, traditional funding challenges continue to frustrate progress.

Often delays in getting business cases signed-off, rather than simply funding, present the “biggest issue faced by contractors and our clients in the sector” according to Keith.

“A lot of skills within Trusts to deliver project business case approval first time have been lost because of austerity meaning that those that have their own capital can get projects off the ground much quicker,” said Keith.

“Many construction projects are developed through to being ready for commencement on site and just require sign-off of

the final business case, either internally or more often these days by the Trust, NHS England and NHS Improvement.

“The quality of the final business case will have a significant impact on the likelihood of final sign-off and the release of capital. Business case quality is affecting sign-off and consequently the flow of capital. When this happens projects can often stall for significant periods and this is not only hugely frustrating but leads to uncertainty.

By working collaboratively with the NHS, and our specialist supply chain, we can bring the skills needed together to ensure that business cases on projects are robust and capable of sign off first time.”



Barrhead Health Centre



NHS Lothian

Some of our major achievements over the last 12 months include:



Winning the Building Magazine Contractor of the Year (over £300m) 2017



Ulster Hospital Inpatient Ward Block - overall winning project at the Construction Excellence Awards 2017



Ranked 16th in annual Sunday Times Grant Thornton Top Track 250 (2017)



British Standards Institute (BSI) Kitemark™ certification for both BIM Design and Construction (PAS 1192-2) and Asset Management (PAS 1192-3)



Investors in People Platinum and Wellbeing Accreditation

Keith Hayes is GRAHAM's Healthcare Director. He will be speaking as part of 'The Framework In Practice' seminar at IHEEM 2018 on the 9th October 2018, 3pm.

If you would like to contact Keith to discuss how GRAHAM can help with a healthcare project please email keith.hayes@graham.co.uk or visit the GRAHAM website at <https://www.graham.co.uk/expertise/building/keith-hayes>