

E&F Risk 9584 – Insufficient B&E Capital Investment to manage BLM liability

Current Score										
ID	Description	Consequence	Likelihood	Risk Score	Key Controls	Gaps in Controls	Consequence	Likelihood	Risk Score	Further Mitigating Action
9584	There is a risk to the continuity of clinical services due to the Trust having insufficient capital resources in the current and future financial years to replace ageing equipment and maintain the estate building and engineering infrastructure across clinical and support departments resulting in potential significant harm to patients and unsafe conditions for staff, visitors and residents.	4 - Major, Serious Permanent Injury	5 - Almost Certain (Likely to occur every 4 weeks or more (100 % chance to recur)	20	B&E Capital programme - priority bidding process for investment overseen by the Associate Director Estate Strategy & Development and Director of Estates & Facilities	<p>A total of £11m operational capital is available for B&E in 2025/26. This is a reduction from the previously approved capital plan of £9m.</p> <p>There is no contingency in the operational capital plan for 2025/26 plan for any emergency failures, but schemes will be brought forward where possible if budget becomes available.</p> <p>The average operational capital in the 5-year plan was projected to be £24m per annum, but this is now under review and may reduce to a similar value to 2025/26. There may be further reductions in the amount of available capital due to other pressures on the Trust's wider capital programme.</p> <p>Inflation will materially reduce the real level of investment which can be made year-on year.</p>	4 - Major, Serious Permanent Injury	5 - Almost Certain (Likely to occur every 4 weeks or more (100 % chance to recur)	20	Completion of HoTF and site disposals at LGI (HotF) would reduce the total BLM position by 50%.
					Estate backlog maintenance register updated annually, and aligned to Trust risk register, to assist prioritisation of annual investment.	<p>2024/25 Estates full 6-facet backlog review identified a total backlog figure of £254m. Critical Infrastructure Risk (CIR) backlog is now £138m.</p> <p>This includes both physical condition and statutory compliance items.</p> <p>2023/24 figures - total backlog £233m/ CIR £125m.</p> <p>Available B&E capital is insufficient to make a significant reduction in the backlog figure for areas across the Trust which will not be benefited by HoTF. This is now expected to be in the late 2030s, subject to final approval from the government.</p> <p>To bring the estate to condition 'B' standard. Note that this excludes additional costs that are dependent upon the project solution chosen (for example fees, VAT, decanting and temporary services to other areas). Total project costs estimated at 2.25 x the backlog cost.</p> <p>As risks increase due to the lack of available B&E Capital they will be added to the E&F risk register and escalated to the CRR if required.</p>				Continued revenue funding to complete annual external backlog reviews (Statutory and Physical condition) as per DOH guidance.

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					<p>Estate Strategy Programme Board oversees the Trusts plans to remediate backlog maintenance. This reports into the Infrastructure Committee.</p>	<p>The Board-approved Estates Strategy backlog reduction targets by 2025 are to:</p> <ul style="list-style-type: none">• Be in the medium to lower quartile of peer Trusts for BLM & CIR BLM by 2035.• Remove 50% of our backlog, including 60% of our critical infrastructure risk (CIR), through the Hotf Programme <p>Operational capital allocations are not sufficient to meet these targets and other than HoTF, the expected external capital sources (such as National Estate Safety Fund) will also not be sufficient to deliver these targets.</p>				
					<p>The Estates and Facilities Risk Management Group (Safety Huddle) meets every month to ensure focus on reporting/ monitoring/ reducing risk and backlog with available B&E capital.</p>	<p>The delay to HoTF means that the Trust will need to manage a larger base of deteriorating age-expired assets for around 10 years longer than planned, including Grade 1 listed estate.</p>				<p>Robust oversight of the capital programme by the B&E Capital Group to ensure the capital allocation is spent in year.</p> <p>Review of Estates/ Clinical business continuity plans for areas where we know the risk of plant/ structural failure is high.</p>