



Best practice advice
Establishing and
managing backlog

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1. Purpose of this document

It is essential that the physical condition of the NHS estate is accurately assessed and maintained to ensure it is fit for purpose and safe for patients and staff. This document provides an overview of a suggested methodology for establishing and managing backlog maintenance costs (backlog). It also clarifies the definition of backlog.

A significant outcome of applying this methodology is to enable a consistent approach to determining the quality of your estate assets. This supports good estate stewardship and should inform your annual estate investment planning process and longer-term estate strategies.

Detailed guidance on this methodology is contained in a separate document entitled 'A risk-based methodology for establishing and managing backlog'.

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Other useful information:

- 'Developing an estate strategy', NHS Estates (forthcoming);
- 'Estatecode', NHS Estates 2003;
- Estates Return Information Collection (ERIC; see ERIC website at <http://www.efm.nhsstates.gov.uk>);
- Departmental Cost Allowance Guides (DCAGs) – published in the latest version of 'Healthcare Capital Investment' (available at http://www.nhsstates.gov.uk/publications_guidance).

The process of establishing and managing backlog should link with other systems of governance and risk management already in place. It should not, therefore, impose any new burdens on NHS organisations.

2. What is backlog?

Backlog is the cost to bring estate assets that are below acceptable standards in terms of their physical condition or do not comply with mandatory fire safety requirements and statutory safety legislation (as they apply to the built environment) up to an acceptable condition.

Backlog relates to assets that are in need of some investment at the date of assessment.

To establish the current condition of your estate, you should assess all buildings that you use in the support and delivery of healthcare. When reporting backlog (as part of the Estates Return Information Collection (ERIC)) you should only include assets that you own. Forward projections of asset condition and associated risk should be used to inform your estate strategy.

What is meant by an acceptable condition?

Estate assets should:

- comply with statutory legislation;
- comply with Firecode and relevant fire safety legislation;
- be maintained at a fully operational state within normal revenue allocations and planned capital investment;
- meet public expectations, reflected in a safe, secure and welcoming environment.

3. How do I establish and manage backlog?

There are a number of elements to consider when establishing and managing backlog. These include:

- **Condition survey:** to appraise the physical condition of your estate, including compliance with mandatory fire safety requirements and statutory safety legislation.
- **Establishment of costs:** assessing the cost to bring sub-standard assets up to an acceptable condition (backlog maintenance costs).
- **Risk assessment:** to determine the risk of failing to take the appropriate action to replace or repair sub-standard assets in order to prioritise action and spending.
- **Estate investment planning:** short- and long-term investment planning to maintain asset availability.

Condition survey

It is recommended that you conduct a detailed appraisal of the condition of your estate and its compliance with mandatory fire safety requirements and statutory safety legislation over a five-yearly cycle.

Results of the survey should provide detailed information on known problem areas, which should be supported with drawings and photographs.

This information should be updated on an annual basis.

Establishment of backlog costs

Backlog costs should be assessed for assets within each building/block and external area, or in the case of a localised repair/replacement, on the cost per item extrapolated to the quantity required.

You should assess costs using the following:

- local knowledge/experience of similar projects recently implemented or costed;
- DCAGs (Departmental Cost Allowance Guides);
- information in specialist publications.

Risk assessment

It is advised that you carry out a risk assessment to help you prioritise action and spending.

This involves assessing the risks associated with the continued deterioration and/or failure of estate assets. In line with best-practice risk management techniques, you should consider both the likelihood and the impact of further deterioration and/or failure.

Any significant risks to your organisation's ability to continue its business should be identified to your Board.

The consequences of not undertaking the repairs/replacements may include:

- significant disruption to clinical activity;
- increased risk to patients, staff and visitors;
- recruitment difficulties and lowering of staff morale;
- escalation of capital investment requirements due to accelerated deterioration;
- potential for legal enforcement notices;
- litigation in the event of serious incidents.

Estate investment planning

Following the risk assessment, professional judgement should be applied to undertake short- and long-term investment planning to improve the quality of your asset base. Short-term planning will inform your annual estate investments and operational capital allocation spend. Long-term planning will feed into the review of your estate strategy (see 'Developing an estate strategy' (NHS Estates, forthcoming) for further details) and inform major estate investment decisions.

4. When do I need to review backlog?

It is recommended that you review the condition of your estate on an annual basis and, in turn, update your backlog figures and results of your risk assessments. This will inform both short- and long-term estate investment planning.

Your annual condition survey should not require a full-scale repeat of the survey (and associated costings and risk assessments) but can only be effectively undertaken following the completion of the detailed survey.

The level of detail required will depend on your situation, including a professional judgement on the degree of deterioration of your assets since the previous survey. It should be sufficient to maintain confidence in the accuracy of your figures.

Circumstances may require you to carry out a survey on parts of your estate at different times. Factors influencing this decision include:

- the need to assess the condition of property prior to any acquisition decisions being taken;
- the extent to which investment in refurbishment or alterations to premises have been undertaken since the previous survey;
- any proposed strategic shifts in service provision.