



**FOLKETINGET
STATSREVISORERNE**



**FOLKETINGET
RIGSREVISIONEN**

**November 2022
– 6/2022**

**Extract from Rigsrevisionen's report
submitted to the Public Accounts Committee**

The regions' manage- ment of hospital building maintenance

1. Introduction and conclusion

1.1. Purpose and conclusion

1. This report concerns how the regions manage the task of maintaining hospital buildings in their respective regions.

As owners of the hospitals, the regions are among the largest proprietors in Denmark. The book value of existing hospital buildings in Denmark spread over an area of approx. 4.8 million square meters and have a book value of approx. DKK 36 billion (2021 prices). Around 85% of the building stock is currently more than ten years old.

With funding from *Kvalitetsfonden* (government fund), the regions will be investing approx. DKK 51 billion (2022 prices) in hospital construction projects in the period from 2010 to 2026. In addition to these projects, the regions manage – and fully finance – several other construction and refurbishment projects. The regions have opened several new hospitals and expect around 1 million additional square meters to be ready for use in the years leading up to 2030. The regions will, however, in spite of the many new square meters, still be required to maintain many old hospital buildings.

2. It is the regions' responsibility to run the hospitals. Their responsibilities include the provision of facilities for appropriate treatment of patients in the hospitals which entails maintaining hospital buildings.

The focus of this study is planned maintenance (in the following referred to as maintenance) that is performed to prevent decay and restore the functionality of buildings that are run-down. Costs for energy consumption and repair of sudden and unforeseen damage may increase, if buildings are not sufficiently maintained. Run-down buildings and facilities can also have negative consequences for the patients at the hospitals in the form of draught, an increased risk of mould fungus, poor indoor climate, fire-fighting equipment that is long overdue for replacement and so on.

3. Danske Regioner (representative organisation of the regions) believes that the regions have fallen behind with maintenance and that the existing hospital buildings are run-down. In 2014, Danske Regioner commissioned an analysis that showed that one-third of the regional hospital buildings were in critical condition and their functionality was reduced to an extent that entailed a risk of the buildings sustaining further damage.

Regions

Since 2007, Denmark has been divided into five regions, whose main responsibility is healthcare.

The regions are required to manage the task of maintaining the hospitals within the overall economic framework set for the healthcare sector. The government and Danske Regioner determine the economic framework in an annual agreement. The regions must manage the task of maintenance and neither overinvest nor underinvest in maintenance in order to obtain value for money.

It appears from the agreement on the economy of the regions for 2023 that maintenance and refurbishment activities in the regions are to be discussed as part of the negotiations regarding the agreement for 2024.

4. The purpose of the study is to assess whether the regions have managed the task of maintaining hospital buildings appropriately. The report answers three questions:

- Are the regions' guidelines on the maintenance of hospital buildings adequate?
- Are the regions conducting adequate condition checks of the hospital buildings?
- Are the regions operating with long-term plans for maintaining the hospital buildings?

Rigsrevisionen initiated the study in October 2021.



Main conclusion

The Capital Region of Denmark is managing maintenance of hospital buildings appropriately. The four remaining regions are not managing maintenance in an entirely satisfactory manner. Particularly the technical installations in the buildings, such as water pipes and ventilating systems, are in poor condition. As a result, the hospital buildings risk becoming so run-down that the future costs of running and maintaining them increase excessively.

With the exception of the Capital Region of Denmark, the regions have only to some extent described the distribution of tasks between the region and the hospitals and none of them have common standards for maintaining exterior building parts and technical installations in the hospitals. The Capital Region of Denmark and the Central Denmark Region are working on implementing common standards for maintenance across the regional hospitals but are not there yet. The Region of Southern Denmark has a common standard for maintaining exterior building parts but not for the technical installations.

The condition checks conducted by the Capital Region of Denmark are adequate. The condition checks conducted by the Zealand Region, the Region of Southern Denmark and the Central Denmark Region are not entirely adequate, as they, for instance, are not based on standards that clearly describe the condition check task, or only to some extent include condition checks of technical installations. The North Jutland Region is not conducting adequate condition checks.

The Capital Region of Denmark is operating with long-term maintenance plans that include overviews of the need for maintenance, prioritised lists of future maintenance works and regular monitoring of the completion of the maintenance works. Also, the maintenance plans of the Zealand Region, the Region of Southern Denmark and the Central Denmark Region include elements of long-term planning, but neither of them monitors the completion of the maintenance works. The Region of Southern Denmark has neither an overview of the condition of the buildings nor any prioritised overview of future maintenance work. The North Jutland Region is not operating with long-term maintenance plans.

Rigsrevisionen's overall assessment is that there is a need for guidelines on the maintenance of hospital buildings, better data on the condition of the buildings and long-term maintenance plans. Rigsrevisionen encourages the Ministry of Health to address these matters, for instance, in connection with the pending negotiations with Danske Regioner on the economy of the regions in 2024, where maintenance and refurbishment are on the agenda.

5. The North Jutland Region and the Region of Southern Denmark do not fully agree with Rigsrevisionen that the criteria set in the study can serve as a basis for evaluating whether the management of maintenance is appropriate. The Region of Southern Denmark has informed Rigsrevisionen that it considers it impossible to determine whether the regions have managed the task of maintaining the buildings appropriately when Rigsrevisionen has not carried out inspections of the hospital buildings in the region. Both regions have stated that Rigsrevisionen has operationalised the criteria set for good management of maintenance based on procedures that the regions are not required to follow.

6. Rigsrevisionen has not inspected any buildings in the course of this study, as the purpose of the study is to assess whether the regions have established an appropriate practice for managing the maintenance of hospital buildings. Rigsrevisionen's conclusion is based on the fact that the regions, as owners of property of considerable value, bear the risk if a maintenance backlog builds up. Rigsrevisionen has further based its conclusion on the fact that the regions must take due financial considerations into account in performing their duties. Therefore, Rigsrevisionen finds it relevant to examine whether the regions fulfil the above-mentioned criteria, which reflect whether the regions have the insight into the condition of the buildings required to be able to plan and prioritise maintenance.