

Quality
Healthcare
Environments

NHS
Property Services

Simon Holden

Chief Executive

FCCA, FRICS



NHS Property Services Building progress

PCPF Annual Conference
Thursday 20 November 2014



My agenda today

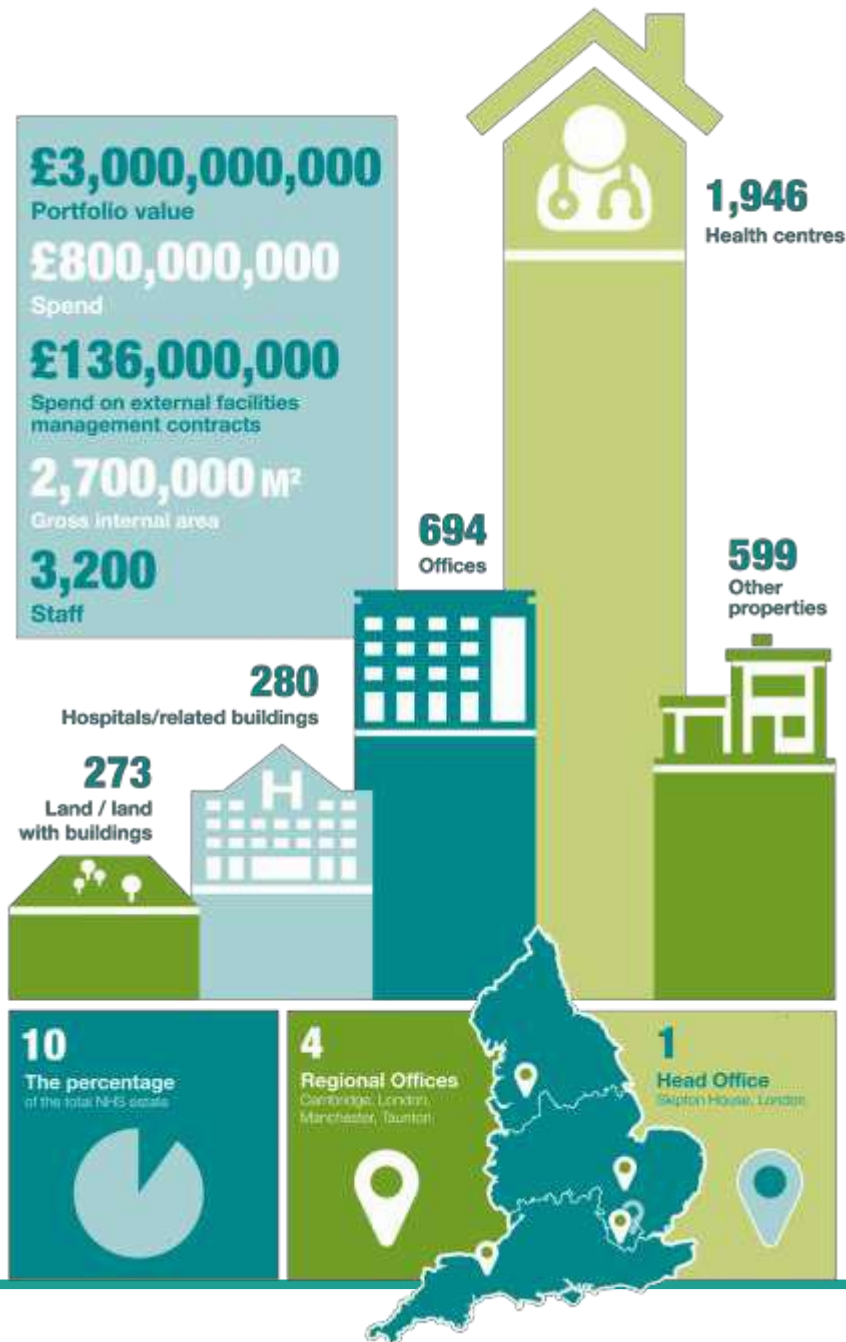
- Who we are
- The benefits of our national scope
- Redesigning how we work
- What we have delivered in the first 18 months
- Our priorities for the future

Who we are

- One of UK's largest property owners – 10% of NHS estate
- Established 1 April 2013 to effectively and efficiently run, manage, and develop property services for the NHS
- Inherited estate, property and facilities management functions of 161 former PCTs and SHAs
- Part of NHS family, but also a limited company – sole shareholder is Secretary of State for Health

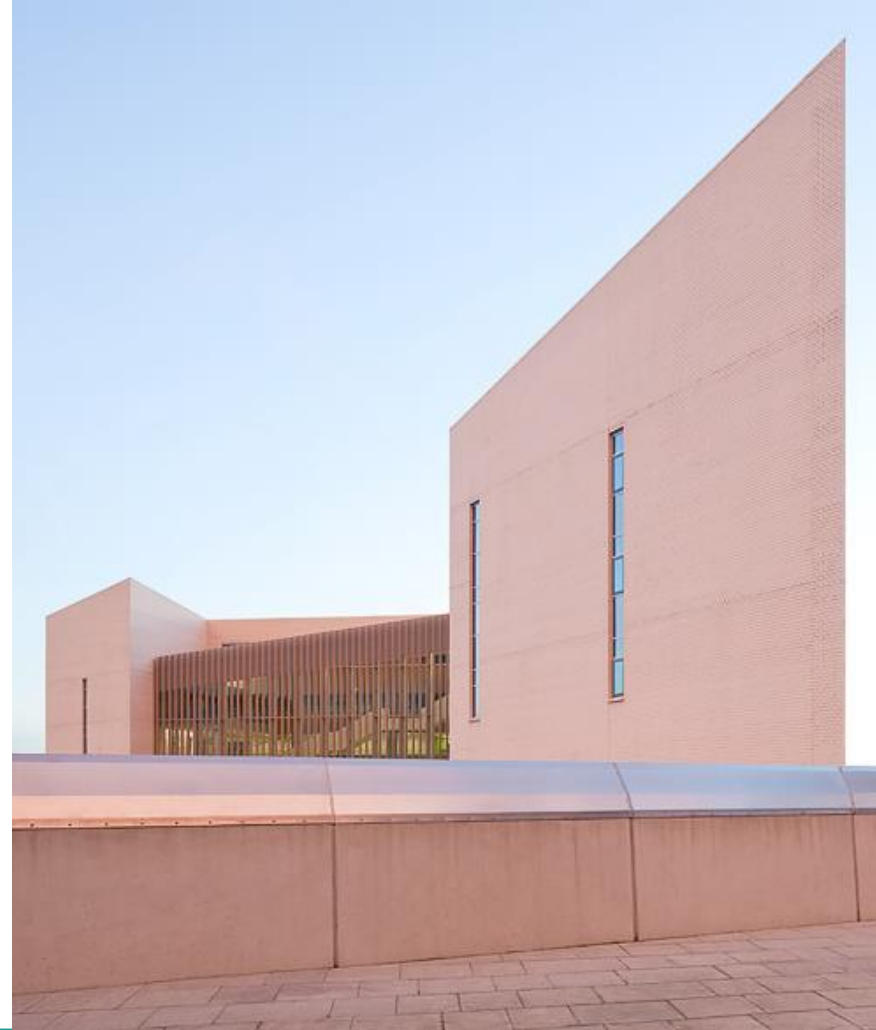


Who we are: our properties



What we do: (1) asset management

- Acting as landlord
- Working with commissioners to plan healthcare estates
- Modernising facilities
- Buying new facilities
- Selling those identified as surplus by commissioners



What we do: (1) asset management

- We dispose of properties NHS commissioners decide are:
 - Surplus to NHS use – vacant, outdated, unsafe and/or no longer fit for purpose
 - No longer meet commissioning strategy needs – with services moved to more modern healthcare facilities
- The disposal of surplus properties generates:
 - Capital receipts
 - Savings in operating costs
- The money released through disposals stays in the NHS to be reinvested in new projects approved by commissioners

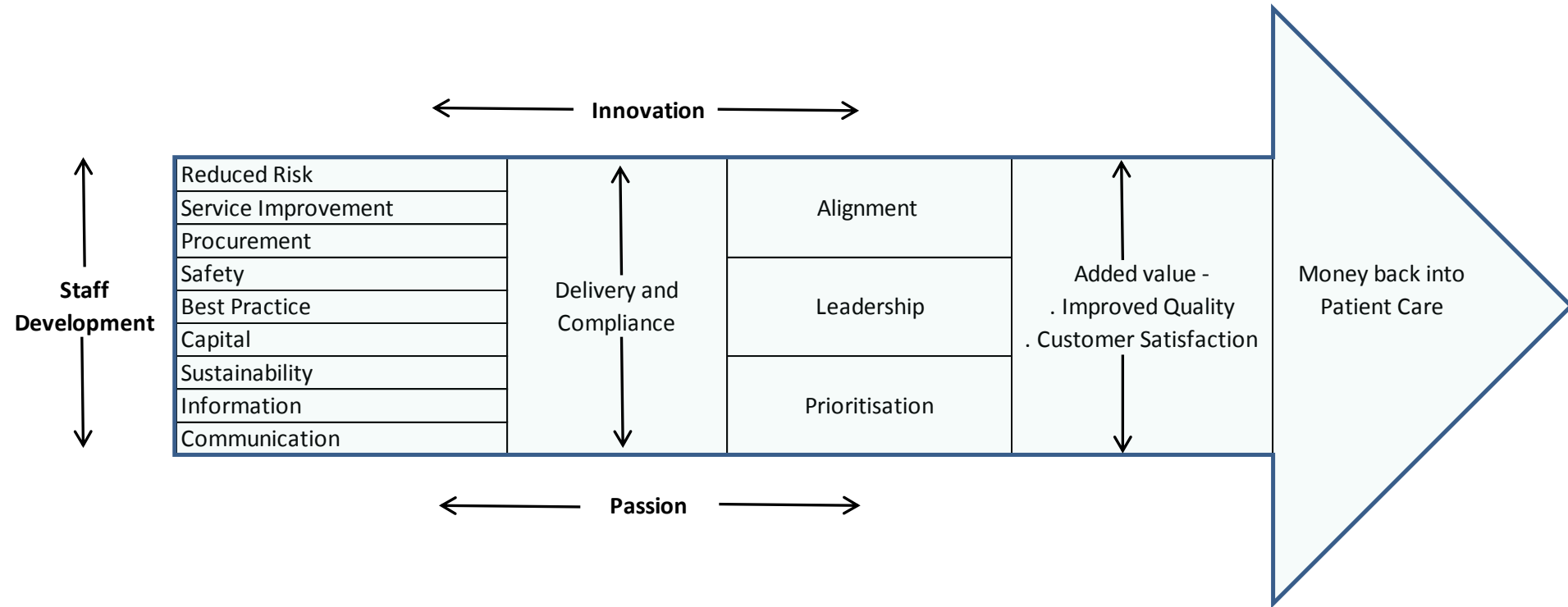


What we do: (2) facilities management

- Facilities management
- Service improvement
- Contract management
- Procurement
- Operational delivery of hard and soft FM



What we do: (2) facilities management



Our national focus

- Structured for national benefits, delivered locally
- We have driven efficiency and economies of scale unavailable in the past
- Running costs of the total portfolio will reduce
 - From £800m last year to £760m this year
 - By £100m over three years
- Consistent systems, procedures and standards



How we work: business redesign

- Business redesign focuses our support to tenants on:
 - Asset management
 - Facilities management
- Introduced 14 new area service managers
- Professional, customer-focused posts put in place, including:
 - Regional and local property managers
 - Acquisition and disposal leads
 - Strategic estates planners
 - Facilities managers
 - National specialists
- Reduced costs in structure by £7 million (per annum)

How we work: partnership approach

Critical relationships include:

- NHS partner organisations
 - NHS England
 - Commissioners (CCGs, CSUs)
 - NHS trusts/NHS foundation trusts
 - GPs
 - Community Health Partnerships and LIFT companies
- Local authorities and other public sector organisations
- Public/private sector relationships for joint ventures and multi-purpose facilities



Are we doing the right thing?

Public opinion

- 92% said: “NHS properties should be sold when they are **no longer fit for purpose**”
- 74% said: “Everything should be done to **reduce NHS costs** so savings can be re-invested in patient care”
- 86% said: “The NHS should **reduce the cost of non-clinical services** for re-investment in clinical services”
- 73% said: “The NHS should **partner with the private sector** to increase the likelihood of successful innovative solutions”
- 65% said: “The NHS should **outsource or privatise non-clinical services** in order to reduce costs”

(Source: HSJ survey of 2,111 members of the public in July 2014)

Are we doing the right thing?

Tenant opinion

- 58% think we are “good” or “ok” as a landlord
- 91% rate safety in our facilities as “excellent, good or OK”
- However, there are clear areas for improvement – including better responsiveness to customers’ needs

(Source: NHS Property Services Tenant Perception Survey, September 2014)



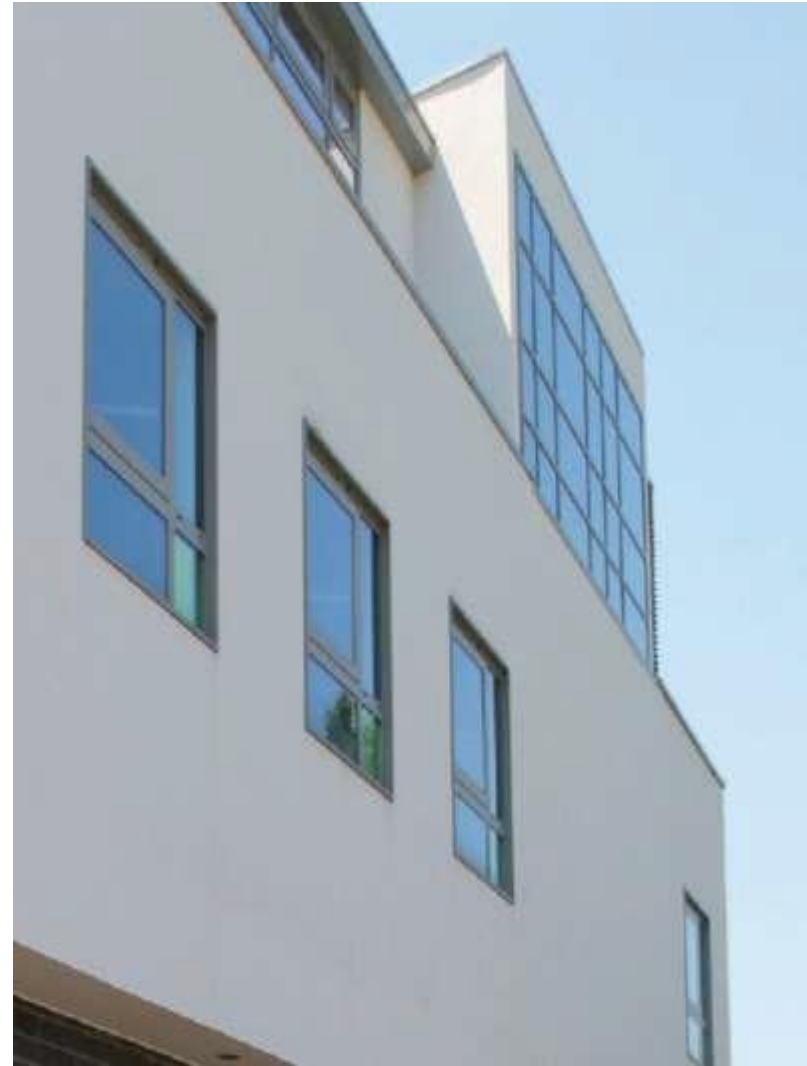
The first 18 months: delivery

- Delivered over 50 new developments, refurbishments and improvements, all designed to improve patient care
- £196 million being spent on capital development so that tenants can plan new facilities, or help bring old ones up to standard
- Efficiencies being driven and will add up to £64 million by the end of the financial year



The first 18 months: delivery

- Hugely improved health and safety compliance, with 12 indicators prioritised
- Disposed of 119 surplus properties (to October 2014)
 - £63.1m capital receipts
 - £6.9m revenue savings
 - Released land for 1,192 housing units



Our journey: consolidation to innovation

Innovation

- Providing high-quality, sustainable, cost-effective healthcare environments
- Making best use of NHS money for clinical and non-clinical services

Structure for the future

Consolidation

Our priorities: the NHS context

- Think like a patient, act like a taxpayer
- NHS Five Year Forward View
- London Healthcare Commission



Our priorities for 2014/15

- Efficiency and value for money – £64m savings (FYE)
- Effective asset management – optimising space utilisation
- The fundamentals – lease documentation
- Customer service – FM redesign & savings
- Employer of choice –    
- Sustainability – BREEAM standards of excellence



Our priorities for 2014/15

- Mapping our asset portfolio
 - Our Properties online – all properties (our.property.nhs.uk)
 - Our Estate – overview of our portfolio
- Lease documentation
 - Documentation = clear lease agreement + clear service level agreement
 - Principles-based approach agreed
 - 10 step process (steps 1 to 8 providing “good order”)
 - Prioritised approach (value 30/85, influencers, learning)
 - Stepping stone for future lease agreements tailored to tenants’ needs and preferences



Our priorities for 2014/15

Working to improve our customer service and patients' experience – including

- Customer Board
- Tenant survey
- Dementia Friends – NHS initiative



Optimising potential: innovative and sustainable healthcare estates

- High-quality healthcare environments
 - maximising space, environmentally sustainable and cost effective
- Co-location of health-related services
 - Wider range of services under one roof
 - More complexity and specialism of community-based services
 - Healthcare services patients need, closer to where they live
- More broad-based multi-function facilities – innovative solutions involving public/private joint ventures private partners



Optimising our potential: bringing everything together

Who we are

Our people

Our properties

What we do

Provide high-quality services

Focus on priorities

Contribute professional expertise

Plan strategically

Build effective public/private partnerships

Measure performance

What success will look like

Optimising our potential

- Professional
- Customer focused
- Commercial
- Cost effective
- Innovative
- Sustainable

Why we do it

Benefiting patients

- Providing high-quality healthcare environments
- Making best use of NHS money for clinical and non-clinical services

Quality
Healthcare
Environments



Property Services

Property strategies and solutions.
Estate and facilities management.
Safety. Efficiency. Sustainability.
Specialist knowledge, skills and advice.

www.property.nhs.uk
@NHSPROPERTY

