

Briefing: Nottinghamshire County Council

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Background

NHS Property Services (NHSPS) is one of the largest property owners in the UK, acting as both landlord and service provider to 10% of the NHS estate. The company owns a £3.8 billion asset portfolio, manages 3,500 properties spread throughout England, has 7000 tenants, employs circa 5,000 people and delivers an annual income of £760 million.

NHSPS was established in April 2013 to manage properties transferred in from 161 former Primary Care Trusts and Strategic Health Authorities. Our properties range from listed buildings through to award-winning, state-of-the-art integrated health campuses. We own and manage 1,800 health centres, 300 community hospitals, 450 offices and over 70 nursing homes.

Since 2013, our portfolio has been evolving. It has been a period of tremendous change for the NHS. New models of care mean that properties must deliver much more than in the past. We use our high-level of expertise in estate management and service provision to achieve the best value and cost savings possible. We are striving to help the NHS transform into a modern health provider.

Role

The NHSPS aims to manage, maintain and improve NHS properties and facilities, working in partnership with the NHS to create a safe, efficient and sustainable and modern healthcare and working environments. The Service has three main roles:

1. **Acting as a landlord to manage the estate** - agreeing and recording the basis on which its tenants occupy buildings (rental agreements), billing them, collecting payments and chasing outstanding debts.
2. **Providing strategic estates management** - modernising facilities, buying new facilities, selling facilities the NHS no longer needs and releasing surplus public land for housing, maximising the use of current facilities, and managing relationships with leasehold landlords.
3. **Providing support and facilities management services** - compliance with relevant regulations including health and safety, maintenance, electrical, cleaning and catering services. It provides a mixture of in-house and outsourced services, managing both the internal and external environments that surround its properties

Strategy

NHS Property Services is helping to build a better National Health Service so that it can deliver excellent patient care. Our strategic intent is to realise value, reinvest in the NHS estate and provide effective services to our customers and patients in England. Our strategy focuses on the delivery of four strategic goals:

1. **Partner with Customers** - reflecting our ambition to provide greater support to the NHS through collaboration to ensure that our property and facilities expertise is shared with our customers and stakeholders to the collective benefit of the healthcare system.
2. **Improve what we do** - delivering continuous improvement with a stronger focus on cross-functional working and harnessing our business collateral.
3. **Develop and grow** - continuing to grow into a more successful and expansive business, supporting a larger portfolio and a wider service and client base.
4. **Realise the value** - optimising value opportunities for our customers, our shareholder and the wider healthcare system.

Our Purpose

Help the NHS transform, enabling excellent patient care

Our Vision

To be the best property and facilities provider to the NHS

Our Strategy

To realise value, reinvest in the NHS and provide an effective service to the health system

Partner with customers

Support customer and patient needs

Strengthen customer engagement

Improve collaborative working

Define the service offer

Improve what we do

Develop our people

Refine data and processes

Fully utilise new systems

Advise and deliver

Develop and grow

Optimise the estate

Invest in new and existing buildings

Broaden service portfolio

Manage more of the NHS estate

Realise the value

Unlock value in the estate

Deliver efficiency in service delivery

Make a positive community impact

Develop innovative solutions

Our Culture

A values driven, high-performing, safe and sustainable organisation

Future opportunities

NHSPS has implemented a transformation programme, investing in business critical challenges including data, systems and people. Building on this, the company strategy has focused on delivering opportunities to manage the estate more effectively and deliver value back to the NHS. These include:

- **Pro-active leasing programme** - provide more tenants with security of tenure, manage the true costs of the NHS estate and secure rental income
- **Innovative new occupational models** – introduction of the Vacant Space Handback Scheme, to allow commissioners to cut the cost of empty space leaving them more to spend on frontline care. Introduction in April 2019 of ‘Open Space’ room booking system to allow flexible booking of space
- **Supporting the wider health estate** – support projects across the NHS and health economy beyond our own portfolio such as office strategies for the Department of Health (DHSC), NHS Improvement and NHS England; and development support to DHSC to support key Trust property transactions
- **Disposal pipeline** - over 70 properties, with a value of £45m for 2019/2020 and continue to build a sustainable disposal pipeline
- **Development schemes** – identified nine large value development schemes which will deliver new clinical space and realising latent development value in excess of £100M
- **Key worker housing** - NHSPS is working with the NHS Property Board on proposals for the provision of key worker housing on surplus NHS land
- **Capital investment** – since inception, over 500 construction projects delivered each year, including backlog maintenance, and robust capital investment programme for 2019/2020 of £85M approved.
- **FM transformation** – engaged in new initiatives to become consistent, compliant and reduce costs whilst maintaining high quality FM services. These include; the new automated FM platform (which logs, plans and monitors FM issues), a review into our core, non-core and non-FM Services, and the provision real-time reporting which will enable us to develop SLAs and KPIs.
- **Annual Charging Schedule (ACS)** - introduced more detailed ACSs for 2019/20 and are implementing an Annual Charging Schedule check-in with customers. Proposed plans include a new charging model for FM and service charges and rolling out reporting metrics against agreed KPIs and SLAs for FM services to enable customers to measure our delivery performance.
- **Bottom-up budgeting** - this year NHSPS has reset all our budgeting, visited all properties in our FMDI (Facilities Management Data Initiative) and reviewed all services being provided at each site and reset all our costs accordingly. This is being followed up with more accurate ACS, which we will be reviewing and agreeing with our customers at future meetings.

Key achievements

Since NHSPS was founded, key achievements include:

- **Finance** – since 2013/2014 operational costs after depreciation have been driven down for our customers saving £211 million over four years
- **Surplus property disposals** - since 2013/14, NHSPS has sold 367 properties which has delivered £330 million in sales proceeds for reinvestment in the estate
- **Cross Government targets** – 5,934 Housing Units will be facilitated by the release of surplus land as part of the NHS Property Services disposals programme
- **Customer Satisfaction** - customer satisfaction scores have risen from 3.0 out of 10 in 2014/2015 to 7.5 in 2018/2019
- **Future NHS estate** – working with STPs in 2018 to help structure and deliver the 44 STEP prioritised estate strategies required by the Department to support the capital bidding process.

NAO report

In June 2019, the National Audit Office released a report into the NHSPS and the main conclusions were:

- NHSPS has succeeded in improving the professional support required, collecting data, streamlining contracts and identifying market rental rates.
- NHSPS requires extra powers from the Department to fulfil its original intention and work effectively
- Many NHS organisations and GPs regard paying for their premises as optional, with almost £700 million either written off or still unpaid.

Nottinghamshire CCGs

There are six CCGs covering the Nottinghamshire area. Across the area, NHSPS has ownership of 34 health centres/surgeries/clinics, 8 hospitals, 5 offices and 4 other properties.

- Nottingham West CCG – 3 health centres/surgeries/clinics
- Nottingham North & East CCG – 6 health centres/surgeries/clinics and 1 office
- Bassetlaw CCG - 3 health centres/surgeries/clinics, 5 hospitals, 1 office and 1 other.
- Mansfield & Ashfield CCG - 11 health centres/surgeries/clinics, 2 hospitals, 2 offices and 2 others (hospice and car park).
- Newark & Sherwood CCG - 3 health centres/surgeries/clinics and 1 other (residential – non-medical)
- Rushcliffe CCG - 8 health centres/surgeries/clinics, 1 hospital and 1 office.

NHSPS currently has 8 employees from Asset Management and 551 from Facilities Management working in this geographical area.

Whyburn Medical Centre

In September 2018, following a complaint from the customer regarding increased FM and service charges with a request for detailed information, a specialist team within NHS Property Services engaged with the practice to resolve these issues.

In October 2018, NHSPS engaged with the GP practice alongside other stakeholders (NHSE and LMC) to discuss their concerns. The GPs raised issues relating to: occupancy, increased charges and NHSPS's legal right to charge for FM, clarity on the level of outstanding debt, payment history and evidence of payment/invoices to back up FM and service charges. NHSPS agreed to produce detailed year on year analysis of FM and service charges dating back to 2015/2016 and in addition providing information relating to cleaning inspections, utility charges, rates and other contract costs where available.

Engagement took place in October and November 2018 with the GP practice and NHSPS including the completion of the agreed report. In November 2018, following a negotiation (the terms of which are confidential), a settlement was put forward by the GP Practice for the period up to 31 March 2018. This was accepted by NHSPS and a confidentiality agreement was entered into by both parties.

In December 2018, the GP Practice served notice to vacate the property and concurrently they terminated their APMS contract with the commissioner.

Across January and February 2019, a number of further calls took place with the GP Practice to agree a settlement for the period between 1 April 2018 - 31 May 2019, again this was subject to a confidentiality agreement.

NHSPS took every potential step to engage with and provide the GP Practice with the requested information, to explain charges and entered into a confidential settlement agreement with the GP Practice.