

Case Study

Enabling Commissioners to reduce the cost of maintaining space they no longer need by handing it back to NHS Property Services

VACANT SPACE HANDBACK SCHEME

The 'Why'

Objectives:

- To use our unique position as a landlord that is also part of the NHS to benefit the system
- To optimise the use of the NHS estate, using our property and facilities management expertise
- To save the NHS vital funds, reinvesting back into the NHS to deliver quality patient care
- To re-purpose the space handed back, generating further funds for reinvestment

NHSPS lead:

- Leo Grunhut, Vacant Space Programme Lead, comes to this project with 10 years of experience in property management within the NHS.

The Challenge

Although the costs of vacant space in the NHS are kept as low as possible, some costs are unavoidable because rent, business rates and some service charges remain payable, and this is costing approximately £10 million a year on the NHS Property Service's (NHSPS) estate alone.

Commissioners are looking to reduce the cost of maintaining space that they have decided is no longer needed for clinical services, cutting the cost of empty space in their buildings and freeing up more of their budgets for frontline care. We are looking to support Commissioners with this endeavour.

The Solution

In partnership with the Department of Health and Social Care and NHS England, NHSPS created the scheme to recycle and optimise the use of vacant NHS property. This enables Commissioners to pass on the liability for eligible vacant space to NHSPS and eliminate unnecessary cost after paying a final vacating payment.

Once handed back, NHSPS will then use its property expertise to repurpose the space, via re-letting, disposal or development. In this way we aim to maximise value for the NHS, with any savings achieved reinvested back into the NHS.

The Result

Since its inception in August 2017:

- 56 Clinical Commissioning Groups (CCGs) and 1 Commissioning Support Unit (CSU) have submitted Property Vacation Notices (PVNs) to take part in the scheme
- Resulting in 132 PVNs, from which 94 offers have been issued, and 71 accepted
- 47 properties have been handed back to NHSPS (totalling 29,300sqm)
- £4.56 million estimated income to the system to redistribute

Results correct as at June 2019.

This scheme has further potential by being a catalyst for wider efficiencies, as NHS partners consider alternative cost savings for space that doesn't meet the scheme's eligibility requirements.

Examples of the scheme's success are:

- 400sqm of office space handed back, saving Torbay and South Devon CCG £550,000. We also found a new tenant for this site relieving the NHS of all future costs and liabilities.
- 500sqm of clinical space handed back, saving Lewisham CCG £100,000 in running costs.
- A former GP practice and health centre handed back, saving Leeds CCG £48,000 in running costs. We also sold this property in 2019, generating further funds for the NHS.