

Optimising the NHS office estate

Kate Richardson, Head of National Office Programme

NHS Property Services



Our objectives:



Act as landlord and service provider



Reduce running costs of the NHS estate



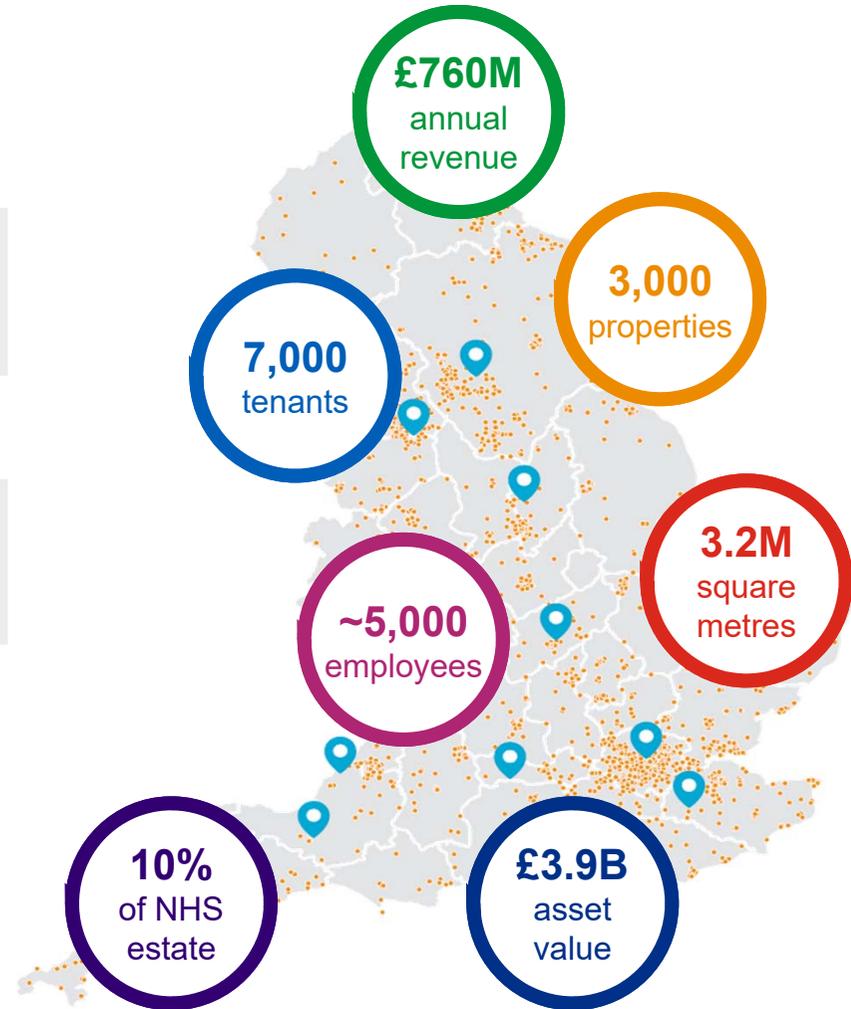
Reconfigure estate to support the delivery of new models of care



Unlock value from surplus NHS land and buildings and deliver housing



Help the NHS use its estate more efficiently



NHS Property Services



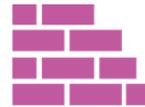
Advisory Services

- Professional property advice
- FM support
- Technical guidance
- Procurement advice
- HSE consulting
- Best practice
- Data management
- Technology enablement
- Energy & Environment
- People management
- Technical compliance and CAFM expertise



Options Development & Analysis

- Options analysis and business case development
- Project evaluation
- Financial analysis and reporting



Disposal Management

- Marketing strategy
- Property due diligence
- Sales process
- Bid analysis/selection
- Transaction negotiations
- Contractual completion
- Housing delivery support



Portfolio Optimisation

- Stakeholder engagement
- Asset management
- Estate Optimisation
- Vacation planning



Legal

- Title due diligence
- Planning law
- Contract negotiations
- Litigation support



Property Management

- Lease negotiations/lease event management
- Rent reviews
- Rates management and rating appeals



Town Planning

- Local plan representations nationally
- Brownfield and greenbelt reviews
- Planning appraisals
- Pre-application, master planning and planning applications
- Section 106/CIL advice



Property Development

- Delivery of new health infrastructure and value release
- Feasibility and options analysis
- Legal and technical due diligence
- Design and planning
- Development management



Hard FM

- Building maintenance
- Technical compliance
- M&E systems



Help Desk

- Customer call handling
- FM task management/helpdesk



Space Management

- Space utilisation studies
- NHS Open Space
- Vacant space management



Soft FM

- Cleaning
- Reception
- Security
- Waste management
- Portering
- Grounds maintenance



Construction PM

- Refurbishment
- Extensions
- New builds



PFI

- PFI advisory
- Cost consultancy
- Contract management

What do we do for NHS office space?



Offices make up a significant proportion of the NHS estate, with NHSPS' portfolio alone covering approx. 400 office holdings (260 leaseholds and 140 freeholds), spanning 400,000 sqm and serving multiple NHS bodies.

In terms of value across our portfolio, office space makes up 60% of the total value of leases with an event (for example, renewal) in the next five years.



Therefore, our team of strategic property experts have a huge opportunity to drive efficiencies and system savings for the NHS.



How can we support the NHS?



We have a dedicated team responsible for reviewing opportunities within our office portfolio, with our clear goal always to drive value for the NHS.

As well as managing the offices in our own portfolio, we provide consultancy services to the wider health sector including the Department of Health and Social Care office portfolio and the wider NHS office estate.



Lease events management: options assessments to inform decision making related to office lease events such as breaks and expiries.



Supporting office rationalisation and relocations to release leasehold space and freehold properties for disposal.



Providing project oversight and best practice for office consolidation projects nationally.



Supporting the national office portfolio management of the Department of Health and Social Care, and various NHS bodies.



Leading on the NHSPS Hub strategy programme for all of our core management office locations.



Promoting agile, modern working environments when refurbishing as part of consolidating or relocating.

How can we support the NHS?



Opportunities



- Projects of substantial size and costs
- Break options and short leases create opportunities to consolidate
- New smarter working allows for workplace transformation and costs savings
- Supports financial sustainability and the Long Term Plan

Ambitions



- Achieve cost savings and 'right size' the estate by matching supply and demand
- Drive smart working to best exploit these opportunities
- Facilitate further collaboration between health bodies
- Build on best practice and optimise office rationalisation and workplace planning in the NHS

Objectives



- Achieve a flexible, well utilised and cost effective office estate
- Achieve significant cost savings over 5 years
- Link with GPA and the Hub Strategy
- Follow a common simple approach (programme)
- Promote collaborations amongst health users
- Support smarter working practices

Enabling smarter working

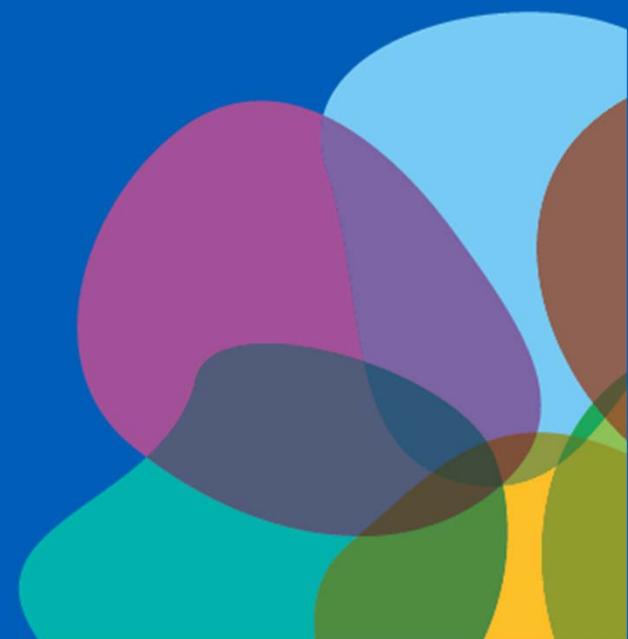


Our projects often raise the opportunity to develop smarter working spaces, empowering people to work more flexibly and collaboratively.



Proving our value

Case studies



Consolidating office space, saving £6m for the NHS



120 The Broadway, London

Background

Site:

Six story office block in Wimbledon with eight leases

Customers:

- St George's, Merton and Wandsworth Clinical Commissioning Groups (CCGs)
- North East London Commissioning Support Unit

NHSPS representatives:

- Keir Emms, Senior Property Manager
- Karl Bartholomew, Principal National Office Programme Manager
- Glen Fong, Senior Property Analyst Manager
- Mark Hales, Senior Construction Manager



The Challenge

The CCGs undertook an evaluation of how much the building was being used and discovered much vacant and underutilised space, e.g. some floors were at only 30% capacity. Working with NHSPS, negotiations were started to handback underutilised floors to the landlord.

Upon handing these floors back, the existing occupiers would need to be consolidated onto the remaining two floors and this would require significant reconfiguration of the space.

The break service date on the leases was also coming up fast (June 2018), and so we had to find a solution quickly in order to serve the various Notices on time.

The Solution

NHSPS served notice on five out of the eight leases and started work on remodelling the remaining two floors. This meant optimising the space for smart/agile working, a refurbishment project totalling £1 million, all undertaken by NHSPS on behalf of the CCG.

We also negotiated rent reviews, dilapidations and approval for works, and completed a deed of rectification on the original leases.

The Result

The CCG has moved into its newly refurbished space on two floors, with the handbacks for the five leases scheduled for June 2019.

We've had great feedback from the tenants who are enjoying the new space, equipment and the improved flexible/smart working it enables.

In terms of savings, disposing of five leases and consolidating the space will help save £6 million for the NHS over five years.

Consolidating the estate, saving the NHS £2m



Bevan House/Regatta Place, Liverpool

Background

Site:

Two office buildings

Customers:

Six NHS tenants including:

- NHS England
- Midlands & Lancashire Commissioning Support Unit (CSU)

NHSPS representatives:

- Neil Mercer, Senior Property Manager
- Mark Owens, Senior National Office Programme Manager
- Mike Hill, Senior Construction Manager



CATEGORIES:

SPACE MANAGEMENT

PROPERTY MANAGEMENT

OPTIONS DEVELOPMENT & ANALYSIS

The Challenge

The lease at Regatta Place had expired and was rented above market rate. Bevan House was underutilised (a void of 45% below capacity) which was set to increase further at the next lease break as other tenants left the building.

The multiple occupiers had complex and changing requirements, individual budget constraints and differing governance arrangements.

The Solution

NHS Property Services specialists in asset management, facilities management and construction ran an assessment of options to ensure that the NHS estate was optimally occupied, suited to support the occupiers' needs and deliver best value.

We consolidated NHS functions onto a smaller footprint (reduction of 500 SQM) within Regatta Place and Innovation Park which allowed the termination of the lease at Bevan House.

The Result

By rationalising the NHS estate and achieving efficiency savings, **we helped the NHS achieve savings of £2 million across a five-year period.**

Outline regional office strategies with NHSE/I



- The National Office Programme have worked closely with NHS England & NHS Improvement Regional teams to formulate outline office portfolio strategies for the future, taking account of the new workforce requirements.
- These identify:
 - The office portfolio and costs
 - Lease events and opportunities for consolidation and smarter working
- These documents are iterative and will form the basis of ongoing conversations at a regional level around planning for the office estate of the future.



Meet the team



Our in-house team has national coverage, working with a range of stakeholders to provide specialist, comprehensive and robust property management advice.

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