

Request Title: Questions on the 2021/2022 annual report

FOI Reference: PSC-120357-J5D1

Date of Disclosure: 02/05/2023

Date Range: 2021/2022

FOI Request:

See below for questions and our responses

Our Response:

1. What were the projects undertaken by Grant Thornton that are referred to on p90, and what was the cost of these?

Some of the project undertaken were:

- Audit of NHS Property Services Limited expenses policies and procedures and the government purchasing card (GPC) spend process to ensure appropriate controls are in place.
- Review of the Conflict-of-Interest area based on newly developed process for capturing conflict of interest data.
- A fraud risk assessment in accordance with the newly mandated Government Counter Fraud Profession methodology.
- A review of the NHS Property Services Limited Bribery and Corruption awareness strategy and identification of proactive review areas for further work in 2022/23.

NHSPS spent a total of £53,809 in 2021/22 (April 2022 – March 2022) for the services provided by Grant Thornton Ltd.

2. How much have NHSPS spent on consultancy services in total in the five years commencing 2017/18?

We have spent approximately £30.5m in total on all consultancy services from April 2017 – March 2022.

3. In late 2022, Misha Garcia wrote an article suggesting NHS Property Services had saved the NHS £250M in five years. What did these figures consist of and how were they verified?

Please see below showing the savings by year and the key areas those savings are driven by. Evidence was provided by the operational teams and checked by the Cost Transformation (CT) team.

17/18: Target £36m – delivered £60m. Key initiatives being:

1. Rates Rebates

2. Rationalised contracts service optimisation (OCS, SRCL, Mitie)

18/19: Target £32m – delivered £38m. Key initiatives being:

1. Rationalised contracts service optimisation (Security, Cleaning, Waste)
2. Lease events, rental savings & leasehold exits

19/20: Target £43m – delivered £48m. Key initiatives being:

1. Rationalised Contracts insourcing (Cleaning, Security, lifts)
2. Inenco Energy Trading Mode

20/21: Target £33m – delivered £53m. Key initiatives being:

1. Rationalised Contracts insourcing (Mitie)
2. Energy & Environment engagement programme
3. Rates rebates

21/22: Target £32m – delivered £43m. Key initiatives being:

1. PFI Settlements
2. Rationalised Contracts insourcing (Mitie)
3. Disposals

The £250m includes £7m of flow through into 22/23.

4. Was an assessment undertaken to ensure that none of the £250M cost benefits claimed were not double counted by other organisations and/or stakeholders?

No, the CT team only have information regarding savings made by NHSPS and can only report on savings that are seen against budget for NHSPS, we do not have visibility of spend by other organisations.

5. In relation to the claimed £250M savings, did the board consider that it might seem disingenuous for an organisation spending almost £100M of public money on admin/overheads and with significant operating losses, to highlight savings of circa. £50M per annum?

The savings reported show how much work was being undertaken by the team to reduce the cost to both the taxpayer and our customers, who are, directly or indirectly, part of the NHS.

6. In the annual report of 21/22, a revaluation of property, plant, and equipment of approx. £162M is referred to (page 119), how did this come about and what does it relate to?

Each year NHSPS revalue around 33% of its property estate on a triennial rolling basis. The valuation is predominantly based on depreciated replacement cost (DRC) valuations which are derived from build cost indices and is carried out by our third-party valuation expert. Revaluation or impairments in the accounts mostly relate to this revaluation exercise.



Property Services