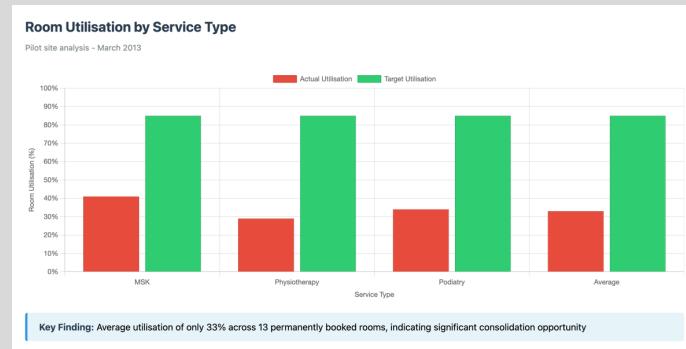


THE CHALLENGE

In 2013 NHS Property Services inherited approximately 3,600 buildings worth £5 billion and faced a £500m annual revenue shortfall. A substantial percentage of community health facilities was underutilised, but poor historical activity data made it difficult to quantify the true scale of inefficiency or identify actionable opportunities for improvement.



THE APPROACH

Developed a data-driven methodology to evaluate estate utilisation and identify rationalisation opportunities:

- **Data acquisition system:** Implemented bespoke IT infrastructure at pilot site to capture real-time appointment and room utilisation data
- **Detailed analysis:** Analysed appointment patterns, clinic utilisation, and capacity usage across multiple service providers
- **Strategic framework:** Created five-step process from data gathering through to property disposal, ensuring clinical quality

Methodology focused on Community and Health Centre properties (£450m net book value), where block contract arrangements and historically low accommodation charges had created significant underutilisation.

KEY FINDINGS

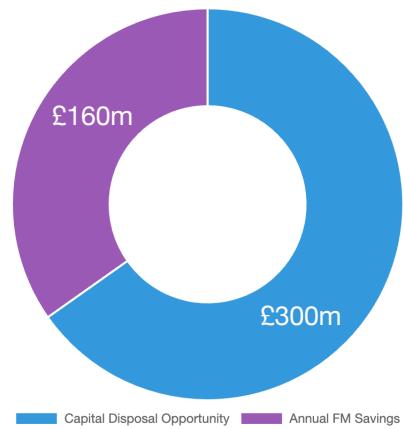
Initial analysis revealed room utilisation of only 33% across three community services at the pilot site. Scaling this insight across the national estate identified:

- **£300m potential capital disposal** opportunity from releasing underutilised space
- **£160m annual facilities management savings** from empty or underutilised space
- **Combined opportunity of £460m** through strategic estate rationalisation

The data showed that current demand could be met with 85% utilisation from 5 rooms instead of 13, representing a £176k annual saving from a single health centre.

Financial Opportunity Breakdown

National estate rationalisation potential - £460m total opportunity



Strategic Impact: Data-driven approach identifies both immediate capital receipts and recurring operational savings

BUSINESS IMPACT

The methodology delivered clarity on a complex, high-stakes challenge where decisions carried significant financial and public health consequences. By quantifying underutilisation with robust data, it transformed estate management from reactive space allocation to strategic portfolio optimisation—enabling £460m+ in potential efficiency savings while supporting better services.

STRATEGIC VALUE

- Provided evidence base for high-consequence property investment and disposal decisions
- Enabled commissioners to avoid unnecessary capital expenditure
- Created framework for continuous rationalisation aligned to changing service models
- Savings made could be reinvested in other NHS facilities