

The National Healthcare Estate - Productivity

National Objective:
**Support systems to maximise the
productivity benefits generated from
their estate and low carbon
healthcare**

Convenzis - 13th Health Estates Conference:
Foundations for the future
26 June 2025

Kay Mulcahy – Associate Director of National Estates Operations

Productivity to date

Operational productivity and performance in English NHS acute hospitals: Unwarranted variations

An independent report for the Department of Health
by Lord Carter of Coles

Carter targets

- In 2016 [Lord Carter](#) identified £1.275bn of potential savings from estate efficiencies (£1.87bn in real terms)
- In 2024 NHS England published its [productivity report](#) for the estate which showed the Carter efficiencies had been met
- Since the Carter Report, the estate is running 17% more efficiently– equivalent to £2.2bn of savings or £16 per attendance – with 13.8m more patients

Headline efficiencies

- Reduced non-clinical space from 44% to 33%
- Underutilised space reduced from 4.4% to 1.9%
- 1,850 energy efficiency schemes delivered since 2018-19

Driving change

- The Estates and Facilities continues to deliver value through guidance, oversight and governance
- Continued effort to share examples of best practice and drive innovation
- Productivity vs Critical Infrastructure risks

Approach from 2024-25



Trust reported

- Trusts reported **£503m** in high level estates efficiency plans for 2024-25 (via Provider Finance Monitoring System (PFMS))
- Regional estates teams are monitoring progress

Engagement

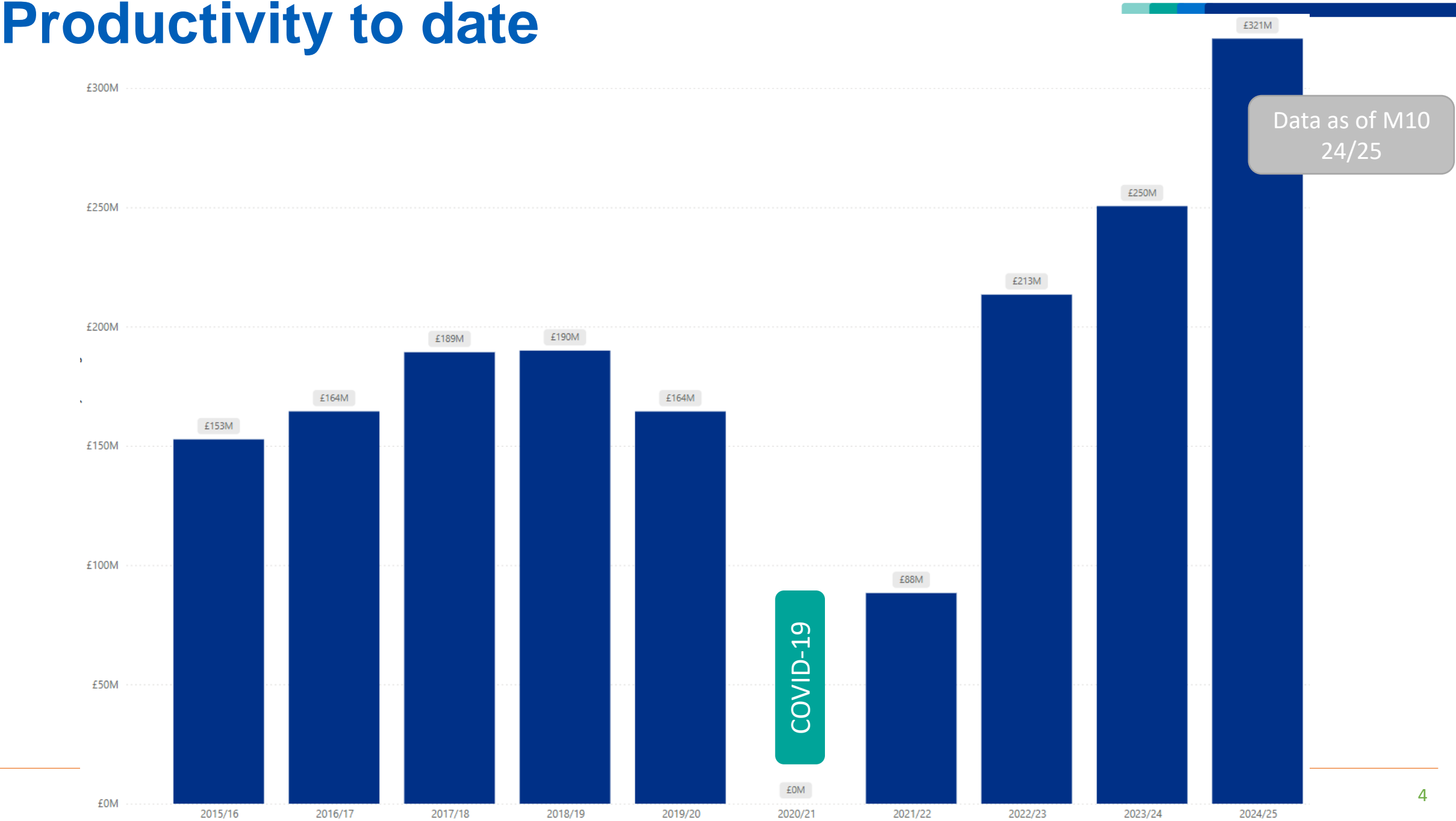
- Collating case studies for Future Collaboration Hub [FutureNHS Collaboration Platform](#)
- Regional networks spreading best practice and seeking to scale initiatives

Focus on core Estate areas

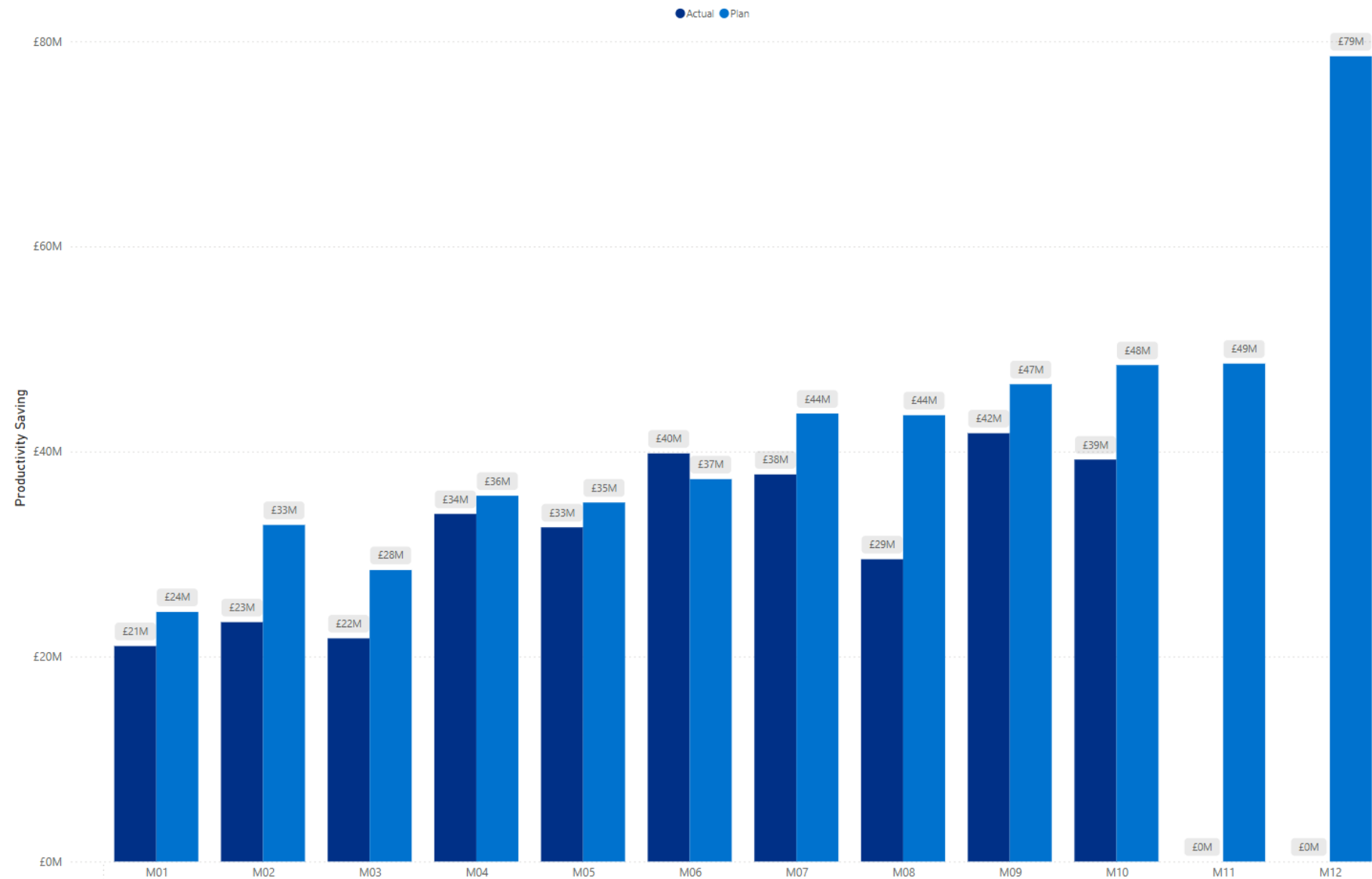
- Space utilisation
- Energy efficiency
- Waste
- Land disposals
- Operating costs
- Digital readiness

Estates efficiency targets for 2024-25 is £503m. At month 10 YTD Actuals £321m; YTD Plan £376m; YTD Variance £41m adverse (64% delivered)

Productivity to date

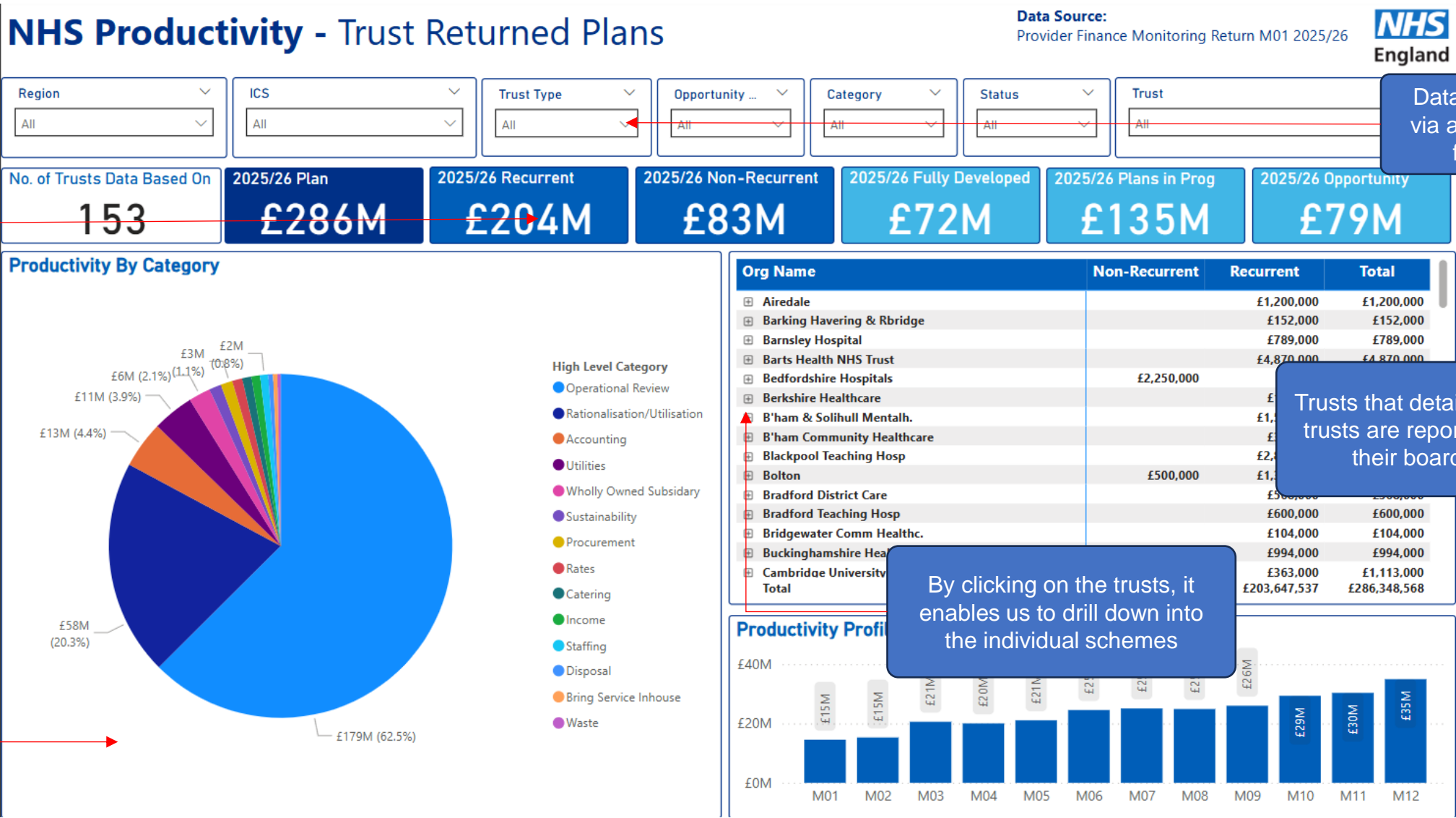


Productivity to date fy 24/25



Financial Year	▼
2024/25	▼
YTD Actual	£321M
YTD Plan	£376M
YTD Variance	-£41M
In Year Plan	£503M

Trust submitted plans for 2025-26



NB: 157 trusts have submitted plans via the Monthly Provider Finance Return

Slide Continued

NHS Productivity - Trust Returned Plans

Scheme Status

Return M01 2025/26

NHS England

Region

ICS

Trust Type

Opportunity ...

Category

Status

Trust

No. of Trusts Data Based On

2025/26 Plan

2025/26 Recurrent

2025/26 Non-Recurrent

2025/26 Fully Developed

2025/26 Plans in Prog

2025/26 Opportunity

153

£286M

£204M

£83M

£72M

£135M

£79M

Productivity By Category

High Level Categories

Operational

Rationalisation/Utilisation

Accounting

Utilities

Wholly Owned Subsidiary

Sustainability

Procurement

Rates

Catering

Income

Staffing

Disposal

Bring Service Inhouse

Waste

Individual schemes shown under high level productivity categories

Recurrent and Non-Recurrent Scheme View

Productivity Profile

£40M

£20M

£0M

M01

M02

M03

M04

M05

M06

M07

M08

M09

M10

M11

M12

£15M

£15M

£21M

£20M

£21M

£25M

£25M

£25M

£26M

£29M

£30M

£35M

7

Approach for 2025-26

NHS Productivity - Areas Potential Opportunity

*Data Source: ERIC 23/24 - Data validated by trust and signed off by CEO & DoE



Region

ICB

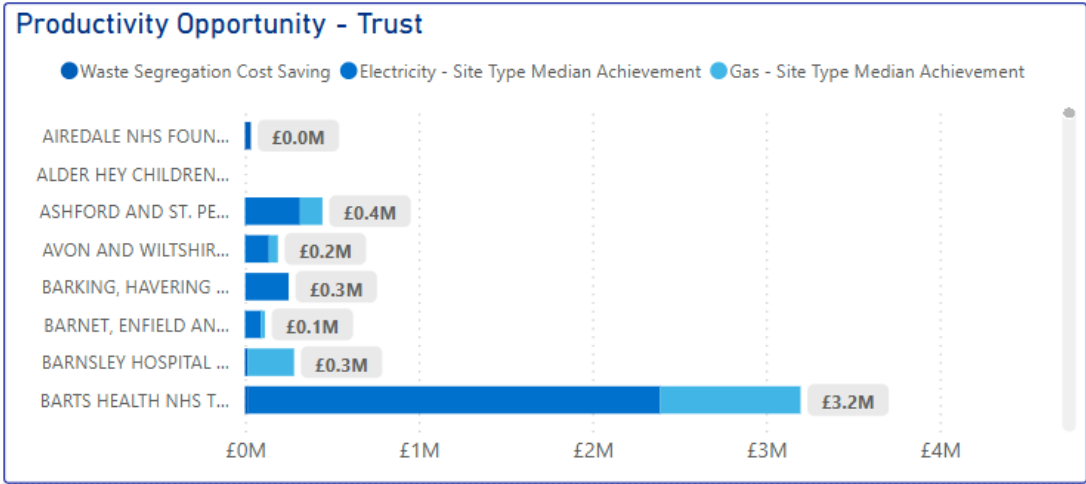
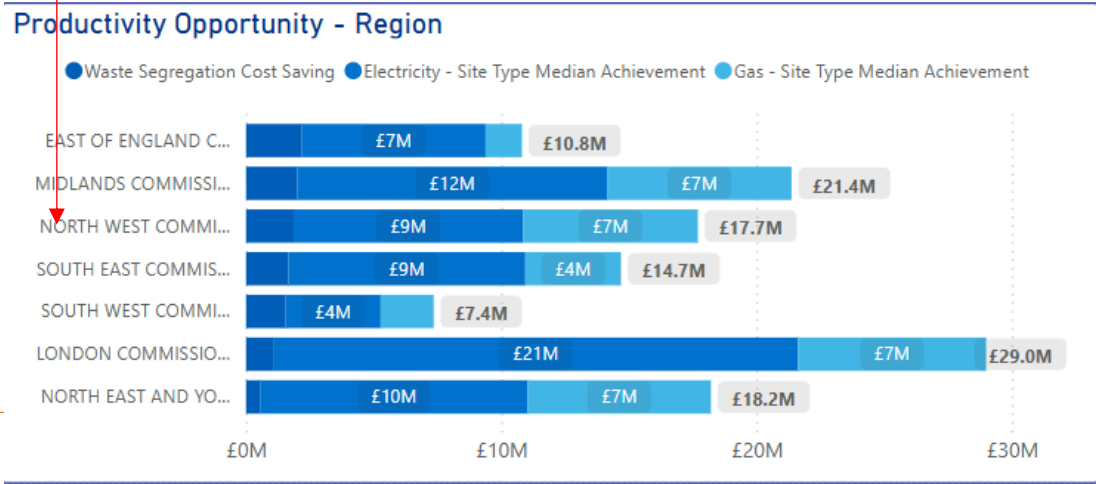
Trust Type

Site Type

Trust Name

Site Name

Financials - Potential Areas of Efficiencies (modelled data)				Space (Trust reported data)	
Commissioning Region	Better Waste Segregation Cost Saving	Electricity - Site Type Consumption/Cost Median Achievement	Gas - Site Type Consumption/Cost Median Achievement	% Non-Clinical Space	Non-clinical space (m²)
SOUTH WEST COMMISSIONING REGION	£1,555,783	£3,718,249	£2,079,853	32%	734,272
EAST OF ENGLAND COMMISSIONING REGION	£2,188,575	£7,199,643	£1,421,240	32%	732,668
NORTH WEST COMMISSIONING REGION	£1,864,706	£8,987,203	£6,850,163	35%	1,317,752
SOUTH EAST COMMISSIONING REGION	£1,660,870	£9,283,798	£3,747,672	31%	1,000,675
NORTH EAST AND YORKSHIRE COMMISSIONING REGION	£545,821	£10,487,494	£7,183,069	34%	1,475,276
MIDLANDS COMMISSIONING REGION	£2,015,542	£12,133,723	£7,225,829	30%	1,392,075
LONDON COMMISSIONING REGION	£1,059,770	£20,575,671	£7,362,345	31%	1,410,717
Total	£10,891,067	£72,385,781	£35,870,171	32%	8,063,435



Work to Date

- Review of historical work completed – Productivity capture across organisations and reviewed
- Engagement with finance colleagues to establish detailed estates efficiencies and productivity opportunities (157 Trust returns to date)
- Established Productivity Board to create dashboard – future work required to expand Board role and responsibilities – ToR/attendees/Governance Structure

Member	Organisation
Associate Director of National Estates Operations (Chair)	NHSE
National Director of Estates, Head of Profession	NHSE
National Deputy Director of Estates	NHSE
Senior Estates Operational Insight and Programme Lead	NHSE
Estates Delivery Director	NHSE

- Review, Engagement and collaborative working – NHSE Estates, Trusts, ICBs, Finance Colleagues and Regional Productivity Domains
- Site Visits – Exemplar Practice, Confirm and Challenge



NHSE Estates asks

1. **Help develop the Dashboard:** We invite comments on the dashboard and suggestions for improvement. Please email england.estatesandfacilities@nhs.net with Productivity in the subject heading.
2. **Enhanced Financial Data:** Utilise the dashboard to obtain the Financial Efficiency/Improvement Plans, working with your regional contacts to ensure timely and granular detail is shared with us and reporting progress accurately.
3. **Regional Productivity Directors:** Encourage local contacts to work in conjunction with the regional productivity directors and encourage directors to inquire about the progress of organisations' estates productivity plans and to promote the importance of estates productivity.
4. **Acknowledge Achievements and Maintain Quality:** Recognise the work completed to date and ensure that productivity initiatives are scrutinised if they potentially compromise quality. Confirm and Challenge.
5. **Improve alignment:** Enhance alignment by collaborating with other NHSE departments to connect estates and clinical productivity, integrating key metrics.
6. **Productivity Board:** Join the productivity Board and help influence change and productivity in organisations – email kay.mulcahy@nhs.net
7. **Digital agenda:** Smart buildings drive efficiency and enhance productivity. Way in which technology funding could support estates digitalisation.

Thank You



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