

# Undertaking efficiency review to support Estates and Facilities and generate savings

**Pressure continues to mount on NHS Estates and Facilities teams to deliver functional facilities and contribute to productivity, whilst also meeting financial targets.**

**NHS Directors require solutions to ensure they are working efficiently and not contributing to the growing deficit being experienced in many NHS organisations and ICSs.**

## How can Estates & Facilities meet their Trust savings targets?

The Liaison Retrospective Invoice Review of Estates and Facilities is designed to assist Directors of Estates and Facilities in meeting their allocated Trust savings targets. Its purpose is to identify and generate real savings and/or cost avoidance, whilst retaining a critical service function in support of the delivery of frontline clinical care.

To achieve this, Liaison Financial employs colleagues who have operated within the NHS at a strategic level within Estates and Facilities. This ensures that our assessment is based on operational knowledge and understanding, and with full understanding of cause and effect on the patient when proposing expenditure reduction.

## How does the Review work?

We review expenditure profiles over a fixed time (usually 3 years) to determine the trends of how funding is allocated and spent, but it is our unique collation and interpretation of data that provides what we believe is the 'Liaison Differential'.

Our examination and oversight of an organisation's information is broken down into numerous high and medium level profiles, that can be examined in various ways. We enhance the strategic oversight through our ability to undertake a detailed multi-formatted forensic examination of any specific data and/or individual supplier, as required.



## What are the benefits of the Review?

We recognise that each Trust has its own specific ways of operating. Initial conversations with clients often default to a generic assumption from frontline delivery services that cost saving/expenditure reduction equates to cutting service. However, from our experience we don't believe this to be the case.

Having worked across numerous Trusts, our detailed analysis of a Trust's data suggests that there are multiple opportunities to remove cost whilst retaining a good quality, efficient and compliant service.

## How has this worked in practice?

A recent review of operational and capital expenditure through a measured term contract (MTC) suggested that the Trust were not maximising the benefits of their investment activity. The question of whether or not a MTC should be used was not previously considered. We understand that many trusts utilise a MTC as part of their contract methodology in the delivery of capital works. If used correctly, it is an efficient and effective way of delivering multiple small works and urgent projects.

Working with the Trust's Estates team, we developed a detailed specification brief based on the JCT form of contract tendered in the open market. By doing so, the Trust can expect:

- To receive a competitively tendered contract that retains their established 'call off' arrangements.
- To receive additional savings as the Trust passes through pre-determined expenditure gateways, thereby triggering an enhanced saving percentage. This is based on the contractor benefitting from an increased level of work and associated improved economy of scale. The saving details are included at tender stage and in the contract documentation.
- Increased oversight and scrutiny of all operational/delivery, performance, and financial governance protocols.
- An unequivocal statement through enhanced management protocols that the Trust are in charge and that the contractor will comply with all contractual and financial requirements.
- Support in the development of all contract documentation, tender and procurement, and implementation as required.

Our examination suggests that to do nothing means the Trust revenue/capital expenditure is between 10%-20% above what they might save through improved procurement and management of their current supply chain. This cost avoidance can be offset against financial targets, and presents a significant saving for the Trust's Estates & Facilities function.

To find out more, please get in touch at [info@liaisongroup.com](mailto:info@liaisongroup.com)