

Our market

The UK's healthcare system is under significant strain, with the need for critical infrastructure and substantial investment greater than ever. In this environment, community-based healthcare and the private sector have a significant role to play in delivering improved patient outcomes,

by alleviating the resourcing and budgetary pressures faced by the NHS. Assura's market expertise, long-standing relationships and proven track record, mean it is well-placed to meet this diversified demand to tackle the healthcare challenge.

Healthcare system pressures

Ageing population

Under invested estate

Budgetary pressures

Workforce challenges

Implications

Long waiting lists

Increasing health inequalities

Increasing calls for more services in a community setting

Growing demand for services from private providers

Growing demand for modern, net zero carbon facilities

Assura's role

Our sustainable buildings increase capacity in the community that they serve.

This allows a greater number and range of health practitioners, including private providers to deliver services.

All of which:

- Eases pressure on the local hospital and health system;
- delivers a better experience for patients; and
- is more cost-effective for the NHS

OUR MARKET (CONTINUED)

A healthcare system under increasing pressure

Market trend

Ageing population with increasing healthcare needs

As people get older, they generally have an increasing frequency and complexity of healthcare requirements. As people live longer, this increases the pressure on the health system.

Underinvested estate; high proportion of NHS estate not fit for purpose and growing maintenance backlog

Older, not fit-for-purpose buildings have higher running costs, maintenance costs and limit the type of treatment that can be offered.

Budgetary pressures – short-term focus does not support long-term investment decisions

Capital budgets are allocated on an annual basis, but these are often used to plug gaps in operational budgets deemed more urgent. However, this lack of long-term investment simply exacerbates the short-term maintenance requirement.

How this impacts the healthcare sector

>15%

UK population of over-75s forecast to increase from 9% currently to over 15% by 2050¹

“Around 2,000 premises have been identified by GPs as not being fit for purpose, and there was strong feedback throughout the stocktake that we do not start thinking about estates early enough in our planning and frequently regret it”

Next Steps for Integrating Primary Care, Fuller Stocktake Report May 2022.

“The figure shows that the maintenance backlog has been growing for a number of years. This represents a failure to invest adequately in hospital infrastructure, as well as a tendency to use capital funding to cover shortfalls in day-to-day funding”

NHS Funding Resources and Treatment Volumes, Institute for Fiscal Studies, December 2022.

How Assura is helping

Buildings that allow a greater range of services, or community engagement space, can reduce pressure on the local health system, allowing patients to see the most relevant health professional (not necessarily the GP).

Replacement of existing buildings improves the clinical standards, allowing a greater range of services to be provided – such as blood tests or minor operations – and allows the latest energy efficient building technology to be incorporated to reduce the running costs.

Greater healthcare capacity in a community setting reduces the overall cost for the NHS, as it is cheaper to deliver care here compared with in a hospital.

1. Office for National Statistics (<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablej11zeronetmigrationnaturalchangeonlyvariantuksummary>)

OUR MARKET (CONTINUED)

A healthcare system under increasing pressure (continued)

Market trend

Workforce challenges

The healthcare sector in the UK faces a skills shortage. Many workers leave the sector each year, with a growing number of job vacancies. For patients, this may mean travelling further or waiting longer to see specialists.

Long waiting lists

Record waiting lists are leading to frustrating patient experiences and a growing willingness to be seen privately.

In addition, longer waiting times mean people's conditions get worse – making them harder and more expensive to treat.

Increasing health inequalities

Recent studies³ have highlighted the impact of health inequalities, with fewer GPs per person, shorter consultations, lower use of preventative screening services, and a higher number of avoidable deaths in areas of higher socioeconomic deprivation.

How this impacts the healthcare sector

-1.9%²
change in FTE GPs from 2019 to 2022

75%⁴
respondents to RCGP survey said limited space was limiting the number of trainees they can take on



"GP practices in the most deprived areas in England had 2,400 patients for each fully-qualified doctor, compared with 2,100 patients for each fully-qualified doctor in the least deprived areas"

Care Quality Commission

"In England in 2021, people in the ten most socioeconomically deprived local authorities, as measured by the IMD, were over four times more likely to die from an avoidable cause than those in the ten least deprived local authorities"

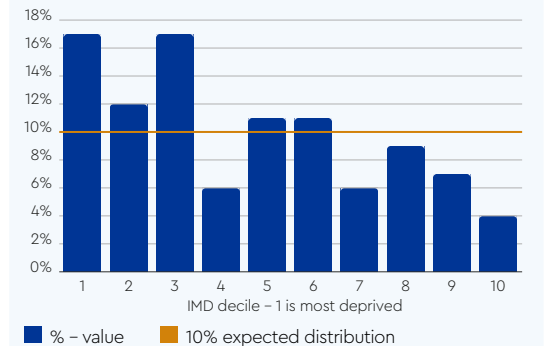
Oxera

How Assura is helping

Local facilities that are modern and have the latest technology, allow health practitioners to deliver a greater range of services to help their patients, as well as being a nicer place to work – all of which makes it easier to recruit staff. It also gives GPs the space to become training practices, improving pathways for the next generation of health professionals.

Diagnostic and treatment centres in a community setting (operated by the NHS or private providers) are easier for patients to access and relieve the strain on the local hospital.

Assura's modern portfolio has a higher weighting to areas of greater health deprivation.



2. <https://ifs.org.uk/publications/nhs-funding-resources-and-treatment-volumes>

3. Economic cost of health inequalities in England, Oxera for Times Health Commission, October 2023 and State of Health Care and Adult Social Care in England, Care Quality Commission, October 2023

4. <https://www.rcgp.org.uk/news/practice-premises-survey>

OUR MARKET (CONTINUED)

A healthcare system under increasing pressure (continued)

Market trend

Increasing calls for more services in a community setting

Moving services out of hospitals and with a greater range of health professionals delivering community-based healthcare.

As well as being lower cost for the NHS, health treatment being delivered in a community setting is more accessible for patients.

Growing demand for services from private providers

Private providers can ease waiting list pressures in a locality, as well as investing in technologies.

Treatment using the latest technology and investment in efficient service delivery allows for swifter patient flow – adding capacity to the local health system.

Growing demand for modern, net zero carbon facilities

Net zero carbon improvements reduce environmental impact and can reduce running costs.

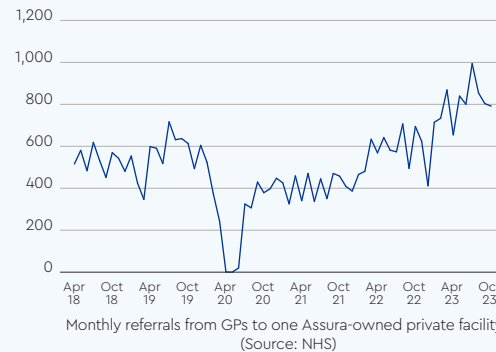
How this impacts the healthcare sector

£42⁵
average cost of a GP face-to-face appointment

£418
starting cost for more complex investigation and treatment of patient at A&E

“GP practices should be housed in buildings that facilitate integration by acting as a physical hub where primary and community clinicians, together with other services, are co-located, sharing space for multi-disciplinary practice, planning, and training”

Integrating Primary and Community Care, House of Lords Select Committee December 2023.



156 kWh/m²
average energy usage intensity (EUI) across Assura's portfolio

55 kWh/m²
EUI on Assura's new development at Fareham

66%
cheaper to run on a £/m² basis

How Assura is helping

As well as GP appointment space, many of our facilities offer specialist rooms for additional procedures needed in that locality – such as the audiologist room at Eagle Bridge, Crewe or the minor operations suite in Timperley. Without these additional rooms, the patient would be required to visit the nearest hospital.

The private market continues to grow presenting opportunities for Assura, utilising our unique skill set. Private providers treat patients through NHS referral, self-pay and private medical insurance models. All of these routes give patients greater choice and access to faster treatment.

Assura continually invests in improved sustainability standards in buildings – both through new build developments (re-purposing buildings where appropriate) and retrofitting the existing estate.

5. Kings Fund – <https://www.kingsfund.org.uk/insight-and-analysis/data-and-charts/key-facts-figures-nhs>