

Inventory Year-End Stock Valuation

Building Transparency and Collaboration Across The UK

THE CHALLENGE

Until recently, there was little national discussion or visibility of how much inventory the NHS and Health Services across the UK were holding – or how those values were changing over time.

This created several challenges:

- **Limited transparency:** Figures were published, but not easily accessible or comparable
- **No consistent national picture:** Each country in the UK reported differently, making it hard to see trends
- **Fragmented insight:** Finance teams worked locally with little shared learning
- **Missed opportunity for collaboration:** Without a common view, improvement discussions lacked traction

OUR APPROACH

R2 Consulting brought clarity by consolidating publicly available data from England, Wales, Scotland, and Northern Ireland to build the first UK-wide view of NHS and Health Service stock values.

Our work focused on three principles:

- 1 **Transparency:** Presenting figures in a single, comparable format
- 2 **Collaboration:** Using the data as a platform for shared discussion across Finance, Procurement, and Supply Chain
- 3 **Understanding trends:** Analysing year-on-year changes (2018–2024) to see the impact of COVID, Scan4Safety maturity, and local practice



THE RESULTS

By reframing isolated local figures into a single UK-wide dataset, we:

- **Created the first national picture** – six years of comparable data across the UK
- **Enabled meaningful debate** – our LinkedIn analyses sparked discussion among NHS, suppliers, and policy leaders
- **Highlighted key trends** – stock values rose 32% (2018–2024), with variation by category and region
- **Built a foundation for collaboration** – a common baseline for tackling waste, write-offs, and improvement

WHY IT MATTERS

This work is not about numbers alone. It is about building a shared understanding of where we are today – a baseline for change. By creating visibility across the UK, R2 Consulting is helping to:

- **Build trust** in reported figures
- **Highlight maturity differences** between regions
- Identify areas where collaboration can **reduce waste and improve efficiency**
- Support NHS leaders to **move from reactive counting to strategic planning**

LOOKING AHEAD

R2 Consulting will continue to develop this work by:

- **Publishing regular updates** as new year-end data becomes available
- Supporting regions and countries to **benchmark** against peers
- **Exploring consignment, write-offs, and surplus stock** as part of the wider debate
- Using this national visibility to **support more mature, collaborative supply chain practices**

JOIN THE WORK

Contribute your organisation's perspective and help us refine the analysis.

Get in touch

r2consulting.co.uk/contact.html

WHAT WE FOUND

Insights from six years of consolidated UK inventory analysis (2018–2024)

£1.43bn total NHS stock holding in 2024

Up 32% since 2018 (£1.08bn). The steepest rise came in 2020–21 during the COVID pandemic, when stock levels jumped by over £250m in a single year

Category growth varies widely:

- Drugs/Pharmacy: Grew by ~£150m (25%) between 2018–2024
- Consumables: Increased steadily, now accounting for 30–35% of stock values
- Theatre supplies/equipment: Showed the sharpest growth – up nearly 50% since 2019, linked to elective recovery

Regional differences are stark:

- Some ICBs/Health Boards saw stock nearly double (e.g. from ~£25m in 2018 to ~£45m+ in 2024)
- Others held flat or declined, reflecting tighter controls or consignment use

Write-offs and wastage:

- Annual write-offs reached £50m+ across England in 2023/24
- COVID-driven items (PPE, diagnostics) remain visible in totals, with some regions still carrying £10m+ of obsolete stock into 2024

EMERGING THEMES

- **Visibility = collaboration:** Making data public and comparable is the first step toward reducing waste and improving planning
- **Standardisation gap:** Valuation methods vary widely – making benchmarking difficult
- **National opportunity:** Shared visibility opens the door to cross-Trust transfers and reduced spend
- **Wastage:** Recording is inconsistent and lacks transparency, organisations who are recognise the true cost are reducing consumption and can evidence this through digital solutions
- **Strategic shift:** Year-end valuation is becoming a maturity indicator for NHS supply chains