



**GUIDANCE  
KNOWLEDGE  
TRANSFORMATION**

**COST IMPROVEMENT**



# ABOUT US



**30+**

HELPING ORGANISATIONS  
THRIVE FOR 30 YEARS



**500+**

ORGANISATIONS  
SUCCESSFULLY SUPPORTED



**15**

YEARS AN APPROVED AND  
TRUSTED SUPPLIER



**98.5%**

POSITIVE CLIENT  
SATISFACTION FEEDBACK

Big enough to reassure, small enough to listen and care.

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We at GKT believe that true transformational change should be sustainable, add value and deliver realisable benefit to our clients. We understand that behind any successful change is a team of dedicated and talented people, who assess, plan, innovate and action the process.

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We value our team and in turn they value their clients, a fact recently proved by our independently accredited 98.8%\* customer satisfaction. (\*external ISO Quality audit DNL)

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We have, over the past 30 years, built a reputation of supporting clients in the management of their Estate and FM services. From the development of a strategy to efficiency and compliance reviews through to tried and tested hands on project management.

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# COST IMPROVEMENT

GKT NHS Business Improvement Consultants provide independent advice and support on a wide range of financial improvement initiatives designed to help NHS clients identify ways of increasing capacity, implementing cost reductions and, where appropriate, increasing income and generating surplus.

GKT's consultants have specialist knowledge of the healthcare sector and provide financial improvement services to Strategic Health Authorities, Acute Trusts, PCTs, and Mental Health Trusts across clinical and non-clinical functions.

## WHY US?



### TRACK RECORD

We have provided our cost improvement service to over 125 trusts undertaking a huge number of value for money reviews and financial improvement assignments within clinical and non-clinical directorates.

We typically deliver cost savings of around 5% of Trust income and/or efficiency and productivity gains of around 15%.



### EXPERT TEAM

GKT will provide you with support from experts in the field. All our principal consultants have considerable project management, operational experience, at general manager, director or chief executive officer level.

In addition, we include within our team a number of specialist clinical based consultants with specific expertise covering the range of NHS disciplines.



### IMPLEMENTATION SUPPORT

The implementation support we provide is one of the factors that differentiate us from other providers.

Our work does not stop with the delivery of our financial recovery recommendations. We continue working with our clients to help implement the agreed initiatives, and deliver the gains.



# COST IMPROVEMENT

## THE PROCESS

### 1 PRELIMINARY SCOPING

This initial phase is essentially a desk-based research exercise that aims to identify activities within the organisation that offer the greatest potential for cost reduction. This part of the programme is short and sharp and focused on areas likely to provide the best returns.

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### 2 FINANCIAL REVIEW

Through adopting a Service Line Reporting approach, this review looks at the financial contribution made by each part of the organisation, based on the cost and income of each line of activity (tariff).

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### 3 EVALUATING INTERNAL FINANCIAL RECOVERY PLANS

Our role is to undertake an assessment of the feasibility and deliverability of existing plans. We provide a realistic assessment of the deliverability of clients' own financial recovery plans, the timescales and associated cash flows. We also identify where clients would benefit from extra support.

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### 4 OPTIONS DEVELOPMENT

Based on agreed priority areas within the organisation, our consultants work with client management teams to identify potential sources of cost improvement and report back to the Client Management Team with a number of options for consideration. The aim of this phase is to agree specific actions that can be implemented. Having managed over 5000 cost improvement initiatives, our team are well placed to advise on what will work and how to achieve results within the quickest timescales.

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### 5 IMPLEMENTATION SUPPORT TO DELIVER COST IMPROVEMENT INITIATIVES

GK Transformation works with client teams to provide additional expert capacity, which enables the implementation process to be accelerated; thereby ensuring financial balance is achieved earlier than might otherwise be possible. Whether the initiatives have been developed by the client's own team or are initiatives that GK Transformation have developed, our teams are able to bring their extensive experience of managing these services in other Trusts to bear, in order to manage the transformation process and ensure savings are delivered.

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# CASE STUDY

Colchester Hospital University NHS Foundation Trust provides healthcare services to around 370,000 people from Colchester and the surrounding area of north east Essex. In addition, the Trust provides radiotherapy and oncology services to a wider population of about 670,000 people across north and mid-Essex.

The Trust's £25m state-of-the-art radiotherapy centre at Colchester General Hospital became operational in June 2014.

Colchester Hospital has a turnover of circa £254m in 2015/16 of which circa £46m is spent on management and administration costs. The organisation was overspending significantly above plan and across the organisation. This trend was set to continue into 2015/16.

Benchmarking carried out in the past 3 years had suggested that there were efficiencies within corporate services to be achieved however these reductions had not been realised and therefore remained as opportunities for the Trust to obtain.

Based on the benchmark potential, the Trust aimed to set a target reduction of £5m cost reduction in 2015/16. It was anticipated that some of this would be achieved through a staff restructure and some will be through a review of the corporate services provided including non-pay reductions and efficiency. It was expected that £5m would be the part year benefit in 2015/16, with a full year effect of a greater value being achieved in 2016/17.

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## OUR APPROACH

**Data:** GKT undertook a focused benchmarking exercise, using comparative data from:

- GKT's own benchmarking database consisting of 130 Trust wide reviews (Financial Recovery Plans)
- 190 Market testing exercises
- 170 Technical Evaluations
- 865 Service Reviews
- Over 180 assignments of working with commercial service providers in bidding for NHS and Public Sector contracts and a number of value testing reviews

Our database covers over 160 NHS Trusts, 38 Commercial Organisations and 8 Shared Services functions.

**Validation:** Through semi-structured interviews with the key service managers of those services that form the scope of this review we gained a good understanding of the services being provided. It is vitally important that any comparative analysis is based on like for like comparisons as it is not unusual for the range of service provision to vary significantly from Trust to Trust. Establishing a good understanding of the services in question is therefore imperative if the resultant analysis is to be meaningful.

**Comparative Analysis:** Having established a suitable understanding of the service provision at the Trust, the levels of service being provided, the costs and quality of these services, our team then undertook comparisons of this performance with that of other Trusts. Details of the comparator Trusts were set out in our report.

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# CASE STUDY

## OUTCOMES

This report examined the current CIP plans for each service and where specific schemes have been identified, these had generally been found to be realistic and deliverable. Where there was a shortfall between the CIP plan and the benchmarking analysis, or where the benchmarking had identified additional cost improvement potential, the report raised a number of potential cost improvement options for consideration, although further work subsequently needed to be undertaken with the relevant service leads to agree these.

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Following this initial assessment, the review team met with the Directors/Service Managers of each of the Corporate Service areas to agree the specific initiatives that need to be implemented to bridge the gap and achieve the £5million Corporate CIP target. This involved updating the Corporate CIP Plan including the development of a cash-flow forecast to demonstrate how these savings will be delivered across the financial year.

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The benchmarking analysis found that there were a number of areas where the Trust compares favourably with other Trusts, i.e. Colchester's costs are lower than most in the following areas. However, the analysis also suggested that there were a number of areas where there appeared to be some scope for cost improvement. In total, these areas appeared to offer the potential for cost improvement of circa £4.7million for pay non-pay related costs.

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As mentioned earlier, a number of CIP plans had already been identified and a number were already reflected within the 2015/16 budgets. The key actions were now to agree the specific initiatives to bridge any gaps and the report listed a number of areas that should be the main focus of the Cost Improvement Programme.

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# EASE

**ESTATES  
ASSURANCE  
STRATEGICALLY  
EXECUTED**

## Be at EASE with your estate.

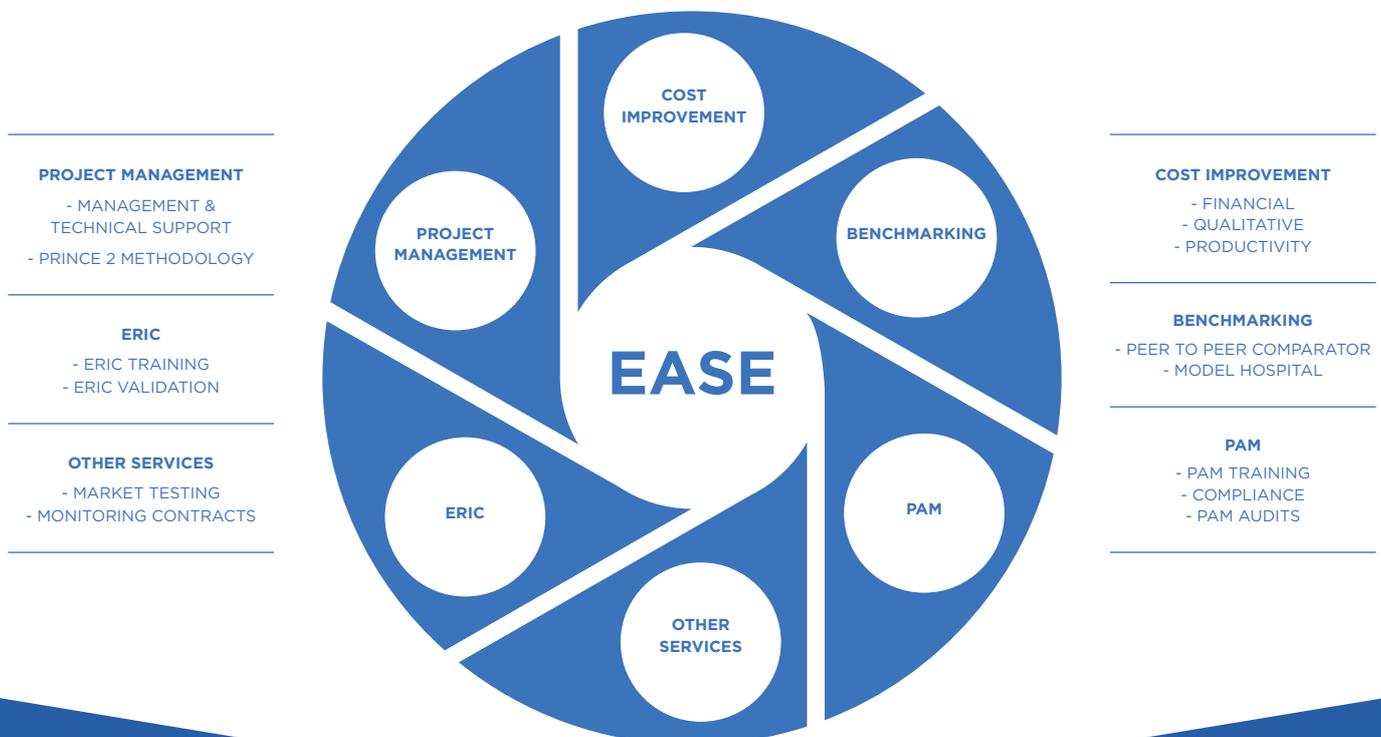
We find that our best value is achieved where we have a long and retained relationship with our client.

This way we are able to develop a good understanding of the Organisations Estate alongside an appreciation of their business strategy. We are able to use this knowledge to be able to mobilise promptly and deliver in the shortest time, which also ensures cost efficiency and value.

Our EASE service is built round our client's specific needs, we develop a EFM support package that enhances the in-house teams areas of expertise and resource capacity.

This approach means we provide input only where support is required, we are able to flex the level of assistance to match the current priorities of the client and overall affordability. As one of our EASE clients you will only be charged where our input is adding value and we can demonstrate a realisable ROI (return on investment).

Our EASE service is used to provide a readily available external resource, only when and where it is required, it can provide a mix of any of our individual services from compliance audits to project management, business cases to strategic estates support, the client defines their bespoke EASE package and then we deliver.





# WE'D LOVE TO HEAR FROM YOU

## PLEASE CONTACT

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Part of the SOUTENU Group:

