



PERFORMANCE IMPROVEMENT IN THE PUBLIC SECTOR



## PwC with South Tyneside NHS Foundation Trust

As with many other NHS Trusts, South Tyneside NHS FT was struggling to close a financial gap between its income position and costs of service. With a turnover of around £220m, the size of the financial gap was estimated to be around £30m over two years. As a result, the Trust was projecting a financial deficit that could have triggered drastic cuts in service provision. The Trust was therefore keen to explore a new and innovative approach that could generate efficiencies for them.

The objectives were straightforward: to release capacity and convert it into financial benefit. The solution more complex: to find a way for people in the hospital to do their jobs more easily and more effectively by building operations management capability. This meant focusing on the people behind the service. So PwC worked with South Tyneside to introduce Perform, PwC's celebrated people performance management system and established a national pilot site. Based on our experience within the private sector, we were hopeful that Perform could deliver a 15–25% capacity release. However, as a result of its pioneering success in the pilot phase, expectations rose in the knowledge that Perform can help the NHS both reduce costs and improve quality of care. We helped the Trust across 11 service areas, comprising Portering, Catering, Endoscopy, Pharmacy, Cardiology, Radiology, Wards, Care of the Elderly, General Medicine and Outpatients. We targeted 650 people over a 34-week period, enabling the Trust to realise up to £7m of financial benefit. At the same time, we made a considerable impact on improving quality of services – six months in, length of stay reduced by up to 45%, patient complaints fell to zero, patient falls fell by 80% and the number of long stay patients reduced by 62%. Its success is best reflected by one of the Trust's Ward Managers when she said:

*"My job is very stressful; more so when obstacles prevent me doing what I should be doing. Now, with Perform, we can take action and do something about it."* (Ward Manager)

In order for this to work, the interests of our team and the client needed to be completely aligned and founded on a strong trust-based relationship. To support this, fee payment to PwC was based on outcomes; i.e a share of the benefits enabled

The work has been so successful that it has generated interest in other Trusts via the local clinical network. We are now working with the Trust to develop another first by taking Perform into their Community Health services and their back office services with the aim of enabling further financial benefits.