

# Reducing backlog maintenance costs

## Re-assessing backlog maintenance priorities to save money

The immediate priority for the NHS is delivering the £15-£20 billion savings identified by NHS Chief Executive Sir David Nicholson in 2009. This must be done without compromising patient safety or quality of care. No stone should be left unturned in pursuit of identifying savings to NHS budgets.

Former senior Department of Health officials Dr Melvyn Langford<sup>1</sup> and Professor Stuart Emslie<sup>2</sup> have identified a fundamental flaw in national guidance for assessing backlog maintenance risk<sup>3</sup>, which has resulted in an NHS-wide £multi-billion overestimation of backlog maintenance costs. By correcting the flaw and undertaking risk assessments using internationally accepted techniques the figures dramatically reduce, as can be seen from the outputs from just three recent studies with individual acute trusts below, without affecting patient safety or quality of care.

Trust	Original backlog maintenance estimate (£M)	'Calibrated' backlog maintenance estimate (£M)	% reduction in estimated backlog maintenance spend
1	61	0.75	99
2	110	61	45
3	12	0.5	96
<b>Total</b>	<b>183</b>	<b>62.25</b>	<b>66</b>

## The problem with national backlog maintenance guidance

The 5x5 risk matrix used within the national NHS backlog guidance (Figure 1) utilises un-calibrated 'ordinate' scales. Thus the numbers only form a 'rank order' of assessed risk. Several academic studies and other published works express concern at the use made of such numbers. Indeed, in 2003 the US Department of Defense advised that the output from such a matrix design "will at best be misleading, if not completely meaningless, resulting in erroneous risk ratings."

		Probability of Failure					
		Rare	Unlikely	Possible	Likely	Certain	
Impact	Insignificant	1	1	2	3	4	5
	Minor	2	2	4	6	8	10
	Moderate	3	3	6	9	12	15
	Major	4	4	8	12	16	20
	Catastrophic	5	5	10	15	20	25

Figure 1 – NHS 5x5 risk matrix<sup>3</sup>

<sup>1</sup> Formerly senior consultant, NHS Estates.

<sup>2</sup> Formerly head of controls assurance for the NHS in England. Visiting professor of healthcare governance and risk, Loughborough University School of Business and Economics.

<sup>3</sup> Department of Health, NHS Estates (2004). A risk-based methodology for establishing and managing backlog.

## Producing a robust, 'calibrated' backlog maintenance profile

Building on existing condition survey information, we work with you to ensure the integrity of your basic backlog information in line with current national guidance. Then we help you to produce a robust, 'calibrated' risk-assessed backlog maintenance profile using internationally accepted risk techniques. Figure 2 shows a typical 'calibrated' risk profile for an acute trust in the NHS in England. It can be seen that the 'un-calibrated' risk scores generated by the NHS 5x5 risk matrix used in national guidance significantly over-estimates risk levels associated with backlog maintenance concerns. Thus, re-prioritising backlog maintenance using a calibrated approach provides scope for more focused targeting of resources, as well as a reduction in financial resources required to deal with higher risk backlog maintenance items – with potentially very significant savings to your required backlog budget.

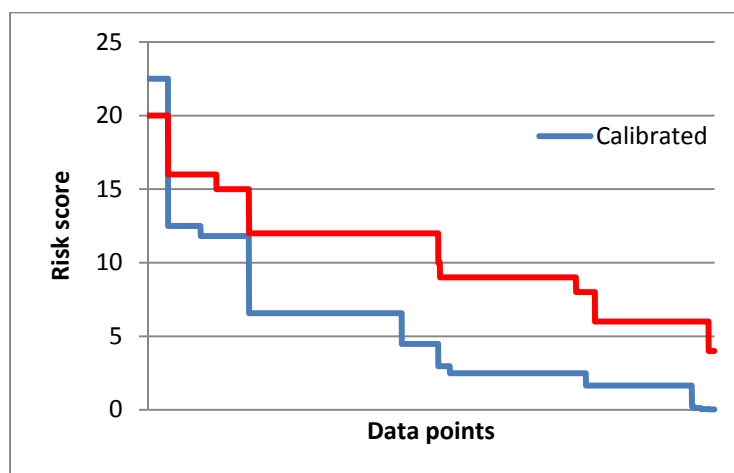


Figure 2 – Risk profiles: un-calibrated and calibrated scores

## Benefits and outcomes of backlog maintenance re-assessment

- Produce a detailed, robust, transparent, repeatable and auditable assessment of risk generated by the condition of the estate building, where appropriate, on existing backlog audits and inspections
- Re-prioritise investment in reducing or eliminating backlog maintenance requirements based on detailed risk assessment driven by patient safety/quality and other key business concerns
- Reduce backlog maintenance budgetary requirements
- **NB:** *Dr Langford and Prof. Emslie have, between them, almost 60 years operational and strategic NHS experience, including some 10 years at the Department of Health*

## For further information, or to arrange a presentation, please contact:

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