Case Study: Implementation of CostIQ Costing Software at Wirral University Teaching Hospital NHS Foundation Trust

February 2026

Executive Summary

Organisation: Wirral University Teaching Hospital NHS Foundation Trust (WUTH)

Project: Implementation of Red Circle ⭕ CostIQ Costing Software

Timeline: Summer 2025

Objective: Establish robust patient-level costing capability for National Cost Collection (NCC) submission and local decision support

Key Outcomes:

- Successful two-phase implementation completed within tight national submission deadlines
- Automated costing model delivering accurate patient-level costs
- Improved data quality and validation processes established
- Sustainable costing capability with ongoing support framework

Background

Wirral University Teaching Hospital NHS Foundation Trust required a flexible, robust costing solution to meet both national reporting requirements and local analytical needs. The Trust sought a partner who could deliver:

- Compliance with NHS England costing standards and National Cost Collection requirements
- A system designed by NHS cost accountants for NHS cost accountants
- Full transparency and control over costing rules and methodologies
- Capability to scale from proof-of-concept to production implementation

Red Circle ⭕ Healthcare Advisory was selected to implement their CostIQ software solution, leveraging their extensive NHS costing expertise and client-centred approach.

The Challenge

WUTH faced several key challenges:

- **Tight deadlines:** National Cost Collection submission timelines required rapid but accurate implementation
- **Data complexity:** Integration of financial ledger data and patient-level activity data from multiple sources
- **Data quality issues:** Need to identify and resolve data anomalies before cost allocation
- **Technical capability:** Requirement for a system that staff could maintain independently post-implementation
- **Flexibility needs:** Ability to adapt the model to local requirements whilst meeting national standards

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Solution Approach

Red Circle ⭕ proposed a **two-phased implementation methodology** that balanced risk mitigation with delivery speed.

Phase 1: Proof-of-Concept Trial

A pilot implementation to validate software functionality and methodology before full-scale deployment.

Phase 2: Full-Scale NCC Implementation

Roll-out of the validated model for complete National Cost Collection submission.

This approach provided WUTH with confidence in the system's capabilities whilst establishing a repeatable standard operating procedure for future costing periods.

Implementation Process 1

Phase 1: Proof-of-Concept Trial (Early Summer 2025)

Initial Setup

- Automated global model configured as the foundation
- Nicola (WUTH project lead) provided two essential datasets:
  - Financial ledger data
  - Patient-level activity data

Data Integration & Quality Assurance

- Data schemas established and mapped to Red Circle's flexible framework
- Data imported and comprehensive quality checks performed
- Quality process successfully identified critical issues:
  - Missing month of radiology data flagged immediately
  - Issues communicated to WUTH IT department
  - Data quality problems resolved by client team

Implementation Process 2

Cost Allocation Rules Configuration

- Approximately two weeks spent defining cost allocation methodology
- Fixed apportionment tables established for overhead allocation
- Dynamic apportionments configured based on ledger information
- Rules ensured all overhead and management costs properly allocated to patient-facing activities

Validation & Review

- Costs allocated to corresponding activities in collaboration with WUTH
- High-level output reports generated
- Reports shared with client to verify overall cost calculations
- Confirmation obtained that system performed as intended

Key Success Factors:

- Early identification of data quality issues prevented downstream problems
- Collaborative approach with WUTH ensured rules reflected local understanding
- Transparent reporting gave client confidence in methodology

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Phase 2: Full-Scale NCC Implementation (Mid-Late Summer 2025)

Rapid Scale-Up

- Following successful trial approval, project advanced immediately to production
- Validated trial model copied, including all established cost allocation rules
- Configuration reuse significantly reduced implementation time

Production Data Processing

- New full-year financial and activity dataset acquired from WUTH
- Pre-configured rules applied to complete dataset
- Full NCC extract generated for the Trust

Timeline Considerations

- Project moved directly from trial to NCC implementation due to tight national deadlines
- Phased approach enabled rapid deployment whilst maintaining quality
- No lengthy gap between phases ensured momentum and resource efficiency

Outcomes:

- Complete NCC submission data produced
- All NHS England costing standards met
- Scalability of solution demonstrated effectively

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Standard Operating Procedure Established

The successful implementation informed the development of a repeatable SOP for future costing periods:

Stage 1: Trial Model Development
- Initial model built and validated with client
- Client satisfaction with system logic and outputs confirmed
- Quality assurance processes embedded

Stage 2: Production Model Deployment
- All configurations and rules copied to production model
- Next dataset processed with established rules
- Review performed to identify any drastic changes requiring investigation

Stage 3: Handover & Ongoing Support
- System formally handed over to WUTH
- Trust empowered to maintain system independently
- Red Circle ⭕ team remains available for ongoing support as needed

This approach ensures:
- Consistent, repeatable process for future years
- Client ownership and sustainability
- Reduced implementation time for subsequent periods
- Ongoing quality assurance

Key Features Delivered

Flexibility

- No strict data schema requirements – system adapted to WUTH's existing data structures
- Local schema mapping gave full control over data imports
- User-configurable rule-based processing

Transparency

- Complete visibility of cost tracing from activity back to source
- Full access to all allocation rules
- Client able to understand and validate every cost assignment

Control

- WUTH maintains full access to modify rules as needed
- No dependency on vendor for routine changes
- Open system architecture enables client autonomy

Compliance

- National schema mappings ensure generic rules work across all trusts
- Built-in DVE (Data Validation Engine) rules
- Reporting and exports in required NCC format

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Results & Benefits

Immediate Outcomes

- **On-time delivery:** NCC submission deadline met despite tight timescales
- **Data quality improvement:** Systematic identification and resolution of data issues
- **Accurate costing:** Patient-level costs calculated using robust, auditable methodology
- **Knowledge transfer:** WUTH team trained and confident in system operation

Longer-Term Benefits

- **Sustainable capability:** Trust able to maintain and develop system independently
- **Repeatable process:** Clear SOP established for future costing periods
- **Decision support:** High-quality cost information available for local management
- **Flexibility for evolution:** System can adapt as Trust requirements change

Strategic Value

- **Best-in-class platform:** Modern, AI-developed technology designed for NHS costing
- **Community membership:** Access to Red Circle ⭕ user community, events, and webinars
- **Benchmarking capability:** Aligned data enables comparison across Red Circle ⭕ client base
- **Ongoing partnership:** Continued support relationship with experienced NHS costing specialists

Conclusion

The implementation of Red Circle ⭕ CostIQ at Wirral University Teaching Hospital demonstrates the effectiveness of a phased, partnership-based approach to NHS costing system deployment. By combining:

- Proven methodology developed through extensive NHS experience
- Flexible, modern technology platform
- Client-centred service delivery
- Structured but adaptable implementation approach

Red Circle ⭕ successfully delivered a sustainable costing capability that met both immediate NCC submission requirements and longer-term analytical needs.

The establishment of a clear standard operating procedure ensures WUTH can efficiently produce subsequent cost collections whilst maintaining the quality and rigour established during this initial implementation.

About Red Circle ⭕ Healthcare Advisory

Red Circle ⭕ Healthcare Advisory specialises in NHS costing solutions, combining:

- Over 30 years of healthcare costing industry experience
- Software designed by NHS cost accountants for NHS practitioners
- Commitment to developing relationships, not just selling software
- Active user community providing peer support and shared learning

For more information: www.redcirclehca.com

Our Team

Red Circle Healthcare Advisory

James Wilson

Managing Director

Mauli Hewavitarne

Director of Costing

David Molyneux

Chief Technology Officer

Our approach to this engagement

This deployment team was be overseen by James Wilson.

Mauli Hewavitarne and David Molyneux implemented the CostIQ application.

Testimonial

"Having previously worked with suppliers who frequently changed staff without notice, added unexpected charges, and billed for work we ended up doing ourselves — all wrapped in impressive visuals but little real substance — the difference with Red Circle has been striking. Their transparency, consistency and genuine delivery focus have been a breath of fresh air.

The implementation was methodical and evidence-based. Their data quality checks flagged critical issues – including a missing month of radiology data – before these became problems in our submission. That level of rigour gave me confidence in both the system and the team.

"What impressed me most was the transparency. We had complete visibility of cost allocation rules and could validate every cost assignment ourselves. This wasn't a black box solution – we maintained full control over the methodology whilst meeting national standards.

"Red Circle delivered on time despite tight NCC submission deadlines, which was non-negotiable for us.

"The system does exactly what it claims to do: it provides accurate patient-level costing with full audit trails. We can now maintain and develop it independently, which was a key requirement.

"Bottom line: they delivered a sustainable costing capability that met both our immediate compliance needs and longer-term analytical requirements. The proof is in the submission – we met our deadline with a robust, defensible dataset."

Robbie Chapman
Deputy Chief Finance Officer
Wirral University Hospitals

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