Northern Lincolnshire and Goole NHS Foundation Trust

Use of Resources assessment report

Diana Princess of Wales Hospital
Scartho Road
Grimsby
South Humberside
DN33 2BA
Tel: 01472874111
www.nlg.nhs.uk

Date of publication: 07/02/2020

This report describes our judgement of the Use of Resources and our combined rating for quality and resources for the trust.

Ratings

Overall quality rating for this trust	Requires improvement
Are services safe?	Inadequate
Are services effective?	Requires improvement
Are services caring?	Good
Are services responsive?	Requires improvement
Are services well-led?	Requires improvement

Are resources used productively?	Requires improvement

Combined rating for quality and use of resources	Requires improvement

We award the Use of Resources rating based on an assessment carried out by NHS Improvement.

Our combined rating for Quality and Use of Resources summarises the performance of the trust taking into account the quality of services as well as the trust's productivity and sustainability. This rating combines our five trust-level quality ratings of safe, effective, caring, responsive and well-led with the Use of Resources rating.

Use of Resources assessment and rating

NHS Improvement are currently planning to assess all non-specialist acute NHS trusts and foundation trusts for their Use of Resources assessments.

The aim of the assessment is to improve understanding of how productively trusts are using their resources to provide high quality and sustainable care for patients. The assessment includes an analysis of trust performance against a selection of initial metrics, using local intelligence, and other evidence. This analysis is followed by a qualitative assessment by a team from NHS Improvement during a one-day site visit to the trust.

Combined rating for Quality and Use of Resources

Our rating of the trust stayed the same. We rated it as requires improvement because:

- We rated safe as inadequate. We rated effective, responsive and well led as requires improvement. We rated caring as good.
- Our rating of Diana Prince of Wales Hospital stayed the same. We rated it as requires improvement. Of the nine services we inspected, we rated three as inadequate and we rated six services as requires improvement.
- Our rating of Scunthorpe General Hospital stayed the same. We rated it as requires improvement. Of the nine services we inspected, we rated three as inadequate, five as requires improvement and one as good.
- Our rating of Goole and District Hospital stayed the same. We rated it as requires improvement. Of the five services we inspected, we rated two as inadequate and three as good. Our decisions on overall ratings take into account the relative size of services. We have used our professional judgement to reach fair and balanced ratings.
- Our rating of the trust's community services stayed the same. We rated community health services as requires improvement. We rated one of the three services as requires improvement and two as good.
- We rated well-led for the trust overall as required improvement.
- We rated the trust's use of resources as requires improvement.

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Date of inspection visit: 24 September to 27 September 2019
Date of publication: 07/02/2020

This report describes NHS Improvement's assessment of how effectively this trust uses its resources. It is based on a combination of data on the trust's performance over the previous twelve months, our local intelligence and qualitative evidence collected during a site visit comprised of a series of structured conversations with the trust's leadership team.

Proposed rating for this trust?	Requires improvement

How we carried out this assessment

The aim of Use of Resources assessments is to understand how effectively providers are using their resources to provide high quality, efficient and sustainable care for patients. The assessment team has, according to the published framework, examined the trust's performance against a set of initial metrics alongside local intelligence from NHS Improvement's day-to-day interactions with the trust, and the trust's own commentary of its performance. The team conducted a dedicated site visit to engage with key staff using agreed key lines of enquiry (KLOEs) and prompts in the areas of clinical services; people; clinical support services; corporate services, procurement, estates and facilities; and finance. All KLOEs, initial metrics and prompts can be found in the Use of Resources assessment framework.

We visited the trust on 11 September 2019 and met the trust's leadership team, including the chief executive, as well as relevant senior management responsible for the areas under this assessment's KLOEs.

Findings

Requires improvement

Is the trust using its resources productively to maximise patient benefit?

We rated the trust's use of resources as requires improvement. The trust's performance is variable across the areas covered by this assessment; with the trust benchmarking well across clinical support services and

elements of corporate services, but challenges identified within workforce, in particular in job planning, high pay costs and high agency spend. The trust is delivering a deficit financial position, however, is on an improving trend from 2018/19 and at the time of the assessment is forecasting to deliver its 2019/20 plan. The trust was in special measures for both quality and finance at the time of the assessment.

- In 2018/19 the trust reported a deficit of £57.7m against a control total of £32.4m deficit, including Provider Sustainability Funding (PSF). For 2019/20 the trust has a control total and plan of £25.4m deficit (including £7.3m PSF, £14.8m Financial Recovery Fund (FRF) and £3.7m Marginal Rate Emergency Tariff Funding (MRET)) which it is on target to meet as at quarter 1. The change to control total from 2018/19 to 2019/20 is primarily because of an increase of £18.6m in national support funding in the form of the Financial Recovery Fund.
- The trust has an ambitious cost improvement plan (CIP) of £20m (or 4.57% of its expenditure) and is currently forecasting to deliver against its plans. The trust delivered its planned savings in full in the previous financial year, of which 12% were non-recurrent.
- The trust has relatively low cash reserves and is not able to meet its financial obligations consistently and pay its suppliers in the immediate term. The trust is reliant on short-term loans to maintain positive cash balances.
- The trust spends more on pay and other goods and services per weighted unit of activity (WAU) than most other trusts nationally. At £3,669, the trust's overall cost per WAU benchmarks above the national median of £3,486. This indicates that the trust is less productive at delivering services than other trusts by showing that, on average, the trust spends more to deliver the same number of services.
- At the time of the assessment in September 2019, the trust was not meeting the constitutional operational performance standards around Cancer, Diagnostics, Referral to Treatment (RTT) and Accident & Emergency (A&E).
- Individual areas where the trust's productivity compared well with other trusts included emergency readmissions, Did Not Attend (DNA) rates, staff retention, pathology and pharmacy (medicines).
- Opportunities for improvement were identified in clinical productivity, sickness absence, job planning, corporate services and some elements of estates and facilities including backlog maintenance and critical infrastructure risk. In addition, the trust has high pay costs across all staffing groups, coupled with a high agency spend. The trust exceeded its agency ceiling as set by NHS England and NHS Improvement for 2018/19 by £10,155m (64.83%) and the trust has the 4th highest agency cost per WAU in the country. In addition, the trust is spending more than the national average on agency as a proportion of total pay spend.

How well is the trust using its resources to provide clinical services that operate as productively as possible and thereby maximise patient benefit?

- At the time of the assessment in September 2019, the trust was not meeting the constitutional operational performance standards around Cancer, Diagnostics and Accident & Emergency (A&E).
- In addition, at the time of the assessment, the trust was not meeting the constitutional operational standard for referral to treatment (RTT). The trust demonstrated it has implemented a number of actions to improve clinical productivity and manage its elective waiting list resulting in improved RTT from 69.8% in August 2018 to 78.3% in August 2019, and a reduction in the overall waiting list size from approximately 29,500 in July 2018 to 26,000 in July 2019. The trust has also significantly reduced the number of overdue follow ups and patients who wait a long time for treatment through pathway redesign, alternative workforce models and partnership working with primary care and community services. Work with Clinical Commissioning Groups (CCGs) and primary care to implement advice and guidance in the majority of specialities has also helped to manage demand by providing an alternative to referring patients to secondary care. Implementing shared care protocols in partnership with GPs has also enabled the trust to begin to see a reduction in the number of follow up appointments in outpatients. Specific examples of clinical productivity work include:
  - In the colorectal speciality, the trust has used virtual clinics which has led to a reduction on overdue follow ups by 3000 and has resulted in no patients waiting 52 weeks or longer for treatment. The trust has also introduced more active management of the waiting list though using "fire break" clinics which are used where the waiting list is growing and "flexi-PAs" where consultants can use their programmed activity time flexibly to deliver outpatient sessions or theatre lists in order to meet the demands of the service.
  - Through pooling consultant lists and outpatient productivity programmes in orthopaedics, the trust has improved its trauma and orthopaedics RTT performance from 64% in April 2018 to 85% in August 2019 despite losing the use of two laminar flow theatres at Scunthorpe General Hospital. The trust has also reduced the numbers of patients waiting over 52 weeks for treatment from 65 in May 2018 to zero in August 2019 in trauma and orthopaedics.

Overall, the 52 week position has improved since last year across all specialities, however, there are still monthly occurrences of patients waiting 52 weeks for treatment in 2019/20.

- Patients are less likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 6.31%, emergency readmission rates are below the national median of 7.73% and within the lowest (best) quartile as at quarter 4 2018/19. The trust uses a Frail and Elderly Assessment Support Team (FEAST) model in A&E and has introduced rapid response therapists in the community who do not carry caseloads and can therefore respond quickly to referrals to prevent admission.
- More patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England.
  - On pre-procedure elective bed days, at 0.25, the trust is performing highest (worst) quartile when compared nationally – the national median is 0.12.
  - On pre-procedure non-elective bed days, at 0.99, the trust is performing highest (worst) quartile when compared nationally – the national median is 0.66.

The trust demonstrated it had actions planned and in progress to reduce the amount of time patients spend in hospital before their procedure but had not yet seen the impact of these.

- For June 2019, at 3.7%, the trust reports a delayed transfers of care (DTOC) rate that is higher (worse) than the standard (3.5%). However, between July 2018 and June 2019, the trust was at or below (better than) the standard for 10 out of 12 months. The trust noted a number of initiatives to help with DTOC, including their reviews of patients who are experiencing a delayed transfer of care with social care partners on a daily basis and there is a weekly multi-agency operational team that reviews patients with a long length of stay at both acute hospitals. The trust referenced the presence of a GP at this meeting as providing key clinical challenge and facilitating discharge to the community where patients' health needs can be met by primary care and community services. The trust also offers a virtual ward service in the North Lincolnshire area seven days a week, where an enhanced package of healthcare is provided as an alternative to hospital admission or to enable an early discharge home.
- The Did Not Attend (DNA) rate for the trust, at 6.89%, is lower than the national median of 6.96% for quarter 4 2018/19. This is a reduction from 7.69% for the same period in 2017/18. The trust reports the introduction of text reminders and mutually agreed appointments as key drivers for the reduction in DNAs. The trust also makes personal contact with patients in specialties where DNAs are particularly high.
- There have been visits to Ear, Nose and Throat (ENT), general surgery, obstetrics and gynaecology, ophthalmology, trauma and orthopaedics and urology, cardiology and stroke as part of the Getting It Right First Time (GIRFT) programme. Examples of improvements following GIRFT reviews include:
  - The introduction of a "hot" cholecystectomy pathway where acute patients can be treated quickly resulting in improved patient outcomes and reducing emergency readmissions.
  - Delivering savings of £337,000 during 2018/19 by standardising prostheses. The trust is on track to save £253,000 during 2019/20.
  - Significant improvements in the care of patients with a fractured neck of femur resulting in the delivery of best practice tariff in 76.2% of cases against the national average of 59.4%.

How effectively is the trust using its workforce to maximise patient benefit and provide high quality care?

- For 2017/18 the trust had an overall pay cost per WAU of £2,482, compared with a national median of £2,180, placing it in the highest (worst) quartile nationally. This means that it spends more on staff per unit of activity than most trusts.
- The trust benchmarks in the second highest (worst) quartile for medical and nursing cost per WAU (£548 compared to national median of £533 and £789 compared to national median of £710 respectively).
- The trust reported the higher costs associated with medical staffing can be attributed to the trust having to run two acute sites and elements of coastal geography, which make it more difficult to recruit with reduced catchment area and long commute times. However, productivity opportunities have been identified as demonstrated by the limited progress with job planning and e-rostering.
- The higher costs associated with nursing staff are in part due to a relatively high number of senior nurses, extended length of stays for patients and rostering issues (headroom allowance and overtime). Whilst the trust can demonstrate plans to address this, this has remained a cost pressure in 2019/20. The trust can demonstrate that the cost of care is below national and peer levels at £28.93 per hour compared to a national average of £29.90 per hour, for both registered nurses and healthcare support workers.
- However, the trust provided evidence to demonstrate the costs for both medical and nursing spend as a percentage of clinical activity income has slightly decreased in 2019/20 so far.

- The trust benchmarks in the highest (worst) quartile for Allied Health Professionals (AHP) cost per WAU at £166 compared to a national median of £130. The trust reported this higher than average cost is in part due to hosting the community Occupational Therapy service for external organisations, whereby the cost data is recorded but the activity data is not. The trust reported once these posts are removed from the calculation, their AHP cost per WAU would reduce brining it closer to the national median.
- The trust did not meet its agency ceiling of £15,663m as set by NHS Improvement for 2018/19 and the ceiling was exceeded by £10,155m (64.83%). Whilst the ceiling was not achieved, the trust can demonstrate that the run rate has improved year on year since 2017/18. The trust demonstrated improved management, control and coordination of agency use across the organisation, alongside a reduced reliance through recruitment and retention initiatives.
- For 2019/20, the trust was given a £5m increase in its ceiling allowance, which at the time of the assessment, the trust was below. However, for 2019/20 the trust set a plan which was more challenging than the ceiling and is currently exceeding this plan and not forecasting to achieve it at year end. At month 5, the plan is set at £5,736m and current spend is £7,584m – a variance of £1,848m (32%).
- The trust's agency cost per WAU is in the highest (worst) quartile at £253 compared to a national median of £107. The trust has the 4th highest agency cost per WAU in the country. In addition, the trust is spending more than the national average on agency as a proportion of total pay spend (8.6% compared to the national average of 4.4% for 2018/19). However, the trust provided evidence to show the trust's agency spend as a percentage of clinical activity income has slightly declined from 8.25% in April 2018 down to 5.38% in May 2019, meaning that the trust is doing more activity per pound it spends on agency.
- Nursing staffing spend remains challenging at the trust, with high vacancy rates which have led to a reliance on agency staffing to ensure patient safety on the in-patient ward areas. The trust noted it was expecting a high number of newly qualified registered nurses to commence in September to October 2019. The trust was also able to demonstrate increased uptake of bank staff in 2019 when compared to 2018.
- The trust has made progress with medical staffing agency spend with an 18.9% reduction in agency use between 2017/18 and 2018/19 overall. The trust can evidence that it has negotiated reductions in agency rates for both middle and junior grade doctors from May 2019. In addition, for nursing spend the trust has worked with the main supplier and has seen an hourly rate reduction from £39.75 in November 2018 down to £35.90 in June 2019. Of note, whilst the rates have reduced the usage remains high.
- The trust's vacancy rate for medics has shown a significant improvement from 27% to 12% and the Junior Doctor fill rate has improved from 67% in April 2017 to 87% at the last intake. The trust referenced the new accommodation block on the Grimsby site as having a positive contributing factor for attracting Junior Doctors, along with closer working with Health Education England.
- E-rostering is in place across community services for AHPs and progress has been made with nursing staff, with rotas signed off 10 weeks in advance. It was noted further improvement is needed on e-rostering for medical staff. The trust demonstrated plans are in place, however, implementation will take between 3 and 5 years. Phase one of implementation is to move doctor's rostering from the DRS system to the e-rota module and so far, 78% of doctors have an account with the trust planning to have 90% by 2021.
- At the time of the assessment, only 22% of consultants had job plans signed off. The trust identified this as a priority and noted plans are being developed to address some of the technical and engagement issues. This demonstrated a significant productivity opportunity for the trust.
- The current skill mix for registered nurses to health care assistants is below the recommended best practice of 60%. The trust have undertaken a nursing establishment review to take into account workforce legislation and safeguarding which was presented to the board in September 2019. The trusts reported plans are to be developed to address skill mix ratios in registered nurses.
- Within AHP staffing, there are examples of skill mix supported by the use of the Calderdale framework. For example, the use of assistant staff within psychology, which allows where clinically indicated and safe to do so, non- registered staff to provide interventions. In addition, lower band roles are being used within the community nursing teams, freeing up more senior nursing time for clinical activities. The trust is participating in Wave 2 of the NHS England and NHS Improvement AHP productivity initiative.
- At 4.14% in November 2018 (data available at the time of the assessment), staff sickness rates were better than the national average of 4.35%. However, there are variances across the workforce groups in the organisation and there are particular issues with estates and nursing at 6% and 5% respectively. More recent data for June 2019 demonstrates the trust sickness rate has increased to 4.80% and now benchmarks in the highest (worst) quartile against a national median of 3.96%. The trust identified the highest sickness reasons as: anxiety, stress, depression and musculoskeletal problems. The trust explained it is developing a health and well-being strategy to address the main reasons.

- Staff retention at the trust is good with a retention rate of 89% in November 2018 against a national median of 85.6%. The trust report their Staff Retention Strategy, launched on 3 May 2018, has already made an impact on turnover figures. The 12 month trust wide turnover rate (permanent staff only) was 8.67% in June 2019, within the annual target of <9.4%. The Consultant turnover rate has reduced from 12% to 8% and the SAS doctor rate has reduced from 15% to 5%.

How effectively is the trust using its clinical support services to deliver high quality, sustainable services for patients?

- The trust was able to demonstrate it is using clinical support services effectively to help deliver high quality services for its patients.
- For pathology services the trust's overall cost per test, at £1.42, places the trust in the lowest (best) quartile when compared to a national median of £1.86 for 2017/18. The trust noted this is in part due to its Path Links Joint Venture (JV) arrangement with United Lincolnshire Hospitals NHS Trust which has enabled the trust to benefit from economies of scale including the consolidation, rationalisation and standardisation of services and a review of its pathology workforce and skill mix which has helped lead to the development of efficiencies and promoting low costs.
- The trust's test per capita for 2017/18 was 23.6 against a national median of 22.5 which places it in the second highest (worst) quartile. This metric, however, reflects the position across the two trusts in the JV. The trust also reported the population numbers used in this calculation are an estimated figure and therefore provided further detail to demonstrate when taking into account the full catchment area of Path Links, their test per capita would reduce to below the median. The trust noted the service is actively looking to managing its demand management levels effectively and has developed an innovative internal diagnostic requesting tool which allows clinical staff to request and manage diagnostic tests electronically. The system has helped reduce the time for requests and also to help ensure that the referrals made are appropriate.
- The trust is working collaboratively across the network in the Midlands and East to deliver non-urgent pathology services although expected benefits from this have not yet been identified.
- For imaging services, whilst the trust's overall cost per report position benchmarks well at £36.93 against a national median value of £50.05, the trust has suffered from historical problems with its imaging services including equipment, staffing and reporting issues. However, recent improvements have been made in replacing its CT scanners at one of its sites and following on from the appointment of a new outsourcing contract in August 2019, the service's backlog of reported images has reduced by 21%.
- The trust's medicines cost per WAU is relatively low with a cost per WAU of £312 against a national median of £320. As part of the Top Ten Medicines programme, it is making good progress in delivering on nationally identified savings opportunities, achieving £2.03m of savings up to March 2019, and an additional £1.41m to August 2019. The trust has also either met or exceeded its biosimilar switching targets, for example for Adalimumab, the switch update rate was 148%.
- Examples of good practice were identified in the form of good engagement with clinicians in both secondary and primary care via the Prescribing Committee where the prices of drugs along with their clinical impact are regularly reviewed and have led in a number of cases to price rebates, for example, Cardiology has seen some of the costs if its drugs reduce by up to 30% supported by joint working arrangements.
- The trust is using technology in innovative ways to improve operational productivity including, for example; its internal diagnostic ordering system which the trust stated has resulted in improvements in data quality and efficiency, faster turnaround times and reduced waiting times for results, real time access by staff of the results of tests etc. Whilst it was acknowledged that this was working well for the trust internally, going forward the trust would need to think about how this could be further improved and developed to benefit the wider system.
- Another example was in the form of the Electronic Dispensing system that is in operation in the trust which has reduced waiting times for patients accessing drugs, facilitated a reduction in the grades of staff needed to support the process and has freed up staff time to allow them to spend more time with patients. Radiologists are also starting to work more flexibly from home under a pilot programme allowing them to review reports electronically.

How effectively is the trust managing its corporate services, procurement, estates and facilities to maximise productivity to the benefit of patients?

- For 2017/18 the trust had an overall non-pay cost per WAU of £1,187 compared with a national median of £1,307, placing it in the lowest (best) quartile nationally. This represents an improvement on the previous year.
- The cost of running its Finance department is lower than average with a trust spend of £635,700 per £100m turnover as compared to the national median spend of £676,480. However, the trust have a comparatively high cost for its Service Improvement and Programme Management Office teams with cost of £259,700 per £100m turnover

compared to a national median of £130,800 per £100m turnover. The trust reported this was as high due to the inclusion of costs for a Turnaround Director and also management consultancy costs from Ernst & Young (in line with current guidance). The trust noted it was believed that given the trust is in both quality and financial special measures, these costs were necessary and helped support the delivery of an £11.7m CIP programme in 2017/18.

- The trust is an outlier with regard to the cost of its internal Payroll service with a cost of £132,700 per £100m turnover against a national median cost of £99,300. The costs of its payslips had reduced from £4.87 down to £4.33, however, these were still high in comparison to the national median cost of £3.72. The trust confirmed it is involved in discussions with another NHS Hospital Trust to explore more collaborative payroll arrangements.
- The cost of running its Human Resources department is significantly higher than the national average with a cost per £100m turnover of £1.52m compared to the national median of £898,020 per £100m turnover. This places the trust in the highest (worst) quartile and the third worst in the country. However, the trust was able to demonstrate some steps have been taken to address this level of spend including reductions in the trust's Occupational Health spend by £35,000 pa as a result of removing unnecessary Physiotherapy costs which are being reinvested in staff training and development. E-rostering is an area within the HR function which the trust are targeting at present to reduce costs further. The trust is also an outlier with regard to recruitment and contained within the above HR cost, is the costs of a small Talent Acquisitions Team of £34,000 but it was noted it has provided the trust with a valuable service to help it recruit and retain a number of key staffing posts.
- The trust's IM&T function cost per £100m turnover, at £3.23m, benchmarks above the national median of £2.47m. Work is being developed to look at the removal and rationalisation of a number of printers across the trust to help reduce these costs, although to date no benefits have been confirmed. The trust have, however, established an IT service help desk operating model that has resulted in reducing the number of calls staff have to make to resolve any issues.
- The trust's procurement processes are relatively efficient and tend to successfully drive down costs on the things it buys. This is reflected in the trust's Procurement Process Efficiency and Price Performance Score of 72, just above the national average of 70. At £347, the trust's supplies and services cost per WAU for 2017/18 benchmarks in the second lowest (best) quartile and below the national median of £364.
- Regarding the trust's percentage variance for top 100 products, the trust's position is 12.8% (March 2019) against a national median of 9.9%, suggesting that the trust is not getting the best prices from its procurement operations. The trust have also seen a deterioration in its Procurement League table position which has fallen from 32 in 2017/18 to 59 in quarter 4 of 2018/19 (out of 136 trusts). The trust also have a relatively small non-pay spend which is on contract which stands at 31.5% as opposed to national median level of 81%. However, the trust noted the levels of clinical engagement in supporting proposed improvements under procurement are starting to improve led by the trust's Medical Director.
- At £253 per square metre in 2017/18, the trust's estates and facilities costs benchmark significantly below the national median of £342. However, the trust's critical infrastructure risk remains relatively high at £154 per square metre compared to a benchmark value of £102 per square metre. Backlog maintenance cost is also high at £269 per square metre compared to a benchmark value of £254 per square metre. The trust noted it has recently disposed of a piece of land for £1.4m (taking into account land remediation costs) which will help reduce its backlog maintenance requirements and is not currently reflected in the benchmarking data.
- The trust have also successfully rationalised its existing community estate occupancies from 129 (November 2016), to 78 (October 2018), delivering a 40% reduction after assessing these properties against criteria to support their ongoing ability to provide safe and appropriate space.

How effectively is the trust managing its financial resources to deliver high quality, sustainable services for patients?

- The trust is in special measures for both finance and quality. The trust is in deficit and has an inconsistent track record of managing spending within available resources and in line with plans.
- In 2018/19 the trust reported a deficit of £57.7m against a control total of £32.4m deficit (including PSF). For 2019/20 the trust has a control total and plan of £25.4m deficit (including PSF £7.3m, FRF £14.8m and MRET £3.7m) which it is on target to meet as at quarter 1. The change to control total from 2018/19 to 2019/20 is primarily because of an increase of £18.6m in national support funding in the form of the Financial Recovery Fund.
- The trust's underlying deficit is estimated to be £57.1m. The trust is using Model hospital data to decide on key target areas. The trust is working on a strategy both internally and alongside their Sustainability and Transformation Partnership (STP) to look at further reducing costs.

- The trust has an ambitious CIP of £20m (or 4.57% of its expenditure) and is currently forecasting to deliver against its plans. The trust delivered its planned savings in full in the previous financial year, of which 12% were non-recurrent. The full year effect of schemes delivered in 2018/19 are contributing substantially towards the delivery of the 2019/20 plan, this accounts for 18.5% of the trusts forecast delivery CIP in 2019/20.
- The trust is trying to reduce its reliance on non-recurrent schemes and the 2019/20 forecast is at 5%. The trust operates a programme management function (PMO) and has thematic cross cutting schemes as well as schemes driven locally within the divisions. There are regular performance meetings where divisions are scrutinised and challenged on delivery and mitigations.
- The trust has relatively low cash reserves and is not able to consistently meet its financial obligations and pay its staff and suppliers in the immediate term, as reflected by its capital service metric (negative 0.3 days) and liquidity metrics (negative 41.76 days. The trust is reliant on short-term loans to maintain positive cash balances.
- The trust's achievement of the Better Payment Practice Codes is low at 20.9% of bills paid within target for 2018/19.The target is to pay all non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed, the target is 95%.The trust demonstrated it manages creditors on a daily basis to ensure they are paid as up to date as their cash allows them to be and have tried a number of initiatives such as agreeing part payments with suppliers. The trust works closely with the income team and CCGs as well as actively chasing debtors to keep these as low as possible.
- The trust is currently in the process of working with the clinical divisions to improve its service line reporting data. They currently produce information quarterly and use it within business cases. The trust provided an example where the information had been used to investigate a breast procedure. It was used to explore growth of the service and a change in case mix which generated a further £68k income per annum.
- The trust has indicated that it is working with its local CCGs to recognise the additional income from improved coding.
- During 2018/19 the trust spent £2.6m on external consultancy. This was in relation to the improvement agenda along with development for the board and executive team.

Areas for improvement

- The trust has failed to achieve financial targets in 2018/19. The trust needs to fully understand and address its underlying financial position and to develop a plan with system partners to return to financial balance and remove the requirement for borrowing to meet its financial obligations.
- At the time of the assessment, the trust was not meeting the constitutional operational performance standards around Cancer, Referral to Treatment (RTT), Accident & Emergency (A&E) or diagnostic waiting times.
- The trust is an outlier for pre-procedure length of the stay for elective and non-elective which continues to present an opportunity for the trust to improve clinical productivity.
- The trust's pay cost per WAU at £2,482, is significantly above the national median of £2,180. Despite this, the trust also has a high number of vacancies across various staff groups resulting in high agency usage and spend.
- The trust sickness rate has increased and is now in the highest (worst) quartile, therefore, further work should be undertaken to understand the drivers and reduce the sickness absence rate.
- The trust exceeded its agency ceiling as set by NHS Improvement for 2018/19 by £10,155m (64.83%) and the trust has the 4th highest agency cost per WAU in the country. In addition, the trust is spending more than the national average on agency as a proportion of total pay spend.
- The trust needs to make a concerted effort to improve job planning – at the time of the assessment only 22% of medical staff had a job plan signed off.
- The trust benchmarks above the national average for its HR, payroll and IM&T function costs per £100m turnover.
- The trust's total backlog maintenance and critical infrastructure risk benchmark significantly above the national median.

Ratings tables

Key to tables					
Ratings	**Not rated**	**Inadequate**	**Requires improvement**	**Good**	**Outstanding**
Rating change since last inspection	Same	Up one rating	Up two ratings	Down one rating	Down two ratings
Symbol *	➔➔	↑	↑↑	↓	↓↓
Month Year = Date last rating published					

***** Where there is no symbol showing how a rating has changed, it means either that:

- we have not inspected this aspect of the service before or
- we have not inspected it this time or
- changes to how we inspect make comparisons with a previous inspection unreliable.

Ratings for the whole trust

Service level

Trust level

Safe ?	**Effective** ??	**Caring** ??	**Responsive** ??	**Well-led** ??	**Use of Resources**
Inadequate ↓ Feb 2020	Requires improvement ➔➔ Feb 2020	Good ➔➔ Feb 2020	Requires improvement ➔➔ Feb 2020	Requires improvement ➔➔ Feb 2020	Requires improvement Feb 2020

Overall quality

Requires improvement ➔➔ Feb 2020

Combined quality and use of resources

Requires improvement Feb 2020

Use of Resources report glossary

Term	Definition
18-week referral to treatment target	According to this national target, over 92% of patients should wait no longer than 18 weeks from GP referral to treatment.
4-hour A&E target	According to this national target, over 95% of patients should spend four hours or less in A&E from arrival to transfer, admission or discharge.
Agency spend	Over reliance on agency staff can significantly increase costs without increasing productivity. Organisations should aim to reduce the proportion of their pay bill spent on agency staff.
Allied health professional (AHP)	The term 'allied health professional' encompasses practitioners from 12 diverse groups, including podiatrists, dietitians, osteopaths, physiotherapists, diagnostic radiographers, and speech and language therapists.
AHP cost per WAU	This is an AHP specific version of the pay cost per WAU metric. This allows trusts to query why their AHP pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Biosimilar medicine	A biosimilar medicine is a biological medicine which has been shown not to have any clinically meaningful differences from the originator medicine in terms of quality, safety and efficacy.
Cancer 62-day wait target	According to this national target, 85% of patients should begin their first definitive treatment for cancer within 62 days following an urgent GP referral for suspected cancer. The target is 90% for NHS cancer screening service referrals.
Capital service capacity	This metric assesses the degree to which the organisation's generated income covers its financing obligations.
Care hours per patient day (CHPPD)	CHPPD measures the combined number of hours of care provided to a patient over a 24 hour period by both nurses and healthcare support workers. It can be used to identify unwarranted variation in productivity between wards that have similar speciality, length of stay, layout and patient acuity and dependency.
Cost improvement programme (CIP)	CIPs are identified schemes to increase efficiency or reduce expenditure. These can include recurrent (year on year) and non-recurrent (one-off) savings. CIPs are integral to all trusts' financial planning and require good, sustained performance to be achieved.
Control total	Control totals represent the minimum level of financial performance required for the year, against which trust boards, governing bodies and chief executives of trusts are held accountable.
Diagnostic 6-week wait target	According to this national target, at least 99% of patients should wait no longer than 6 weeks for a diagnostic procedure.

Term	Definition
Did not attend (DNA) rate	A high level of DNAs indicates a system that might be making unnecessary outpatient appointments or failing to communicate clearly with patients. It also might mean the hospital has made appointments at inappropriate times, eg school closing hour. Patients might not be clear how to rearrange an appointment. Lowering this rate would help the trust save costs on unconfirmed appointments and increase system efficiency.
Distance from financial plan	This metric measures the variance between the trust's annual financial plan and its actual performance. Trusts are expected to be on, or ahead, of financial plan, to ensure the sector achieves, or exceeds, its annual forecast. Being behind plan may be the result of poor financial management, poor financial planning or both.
Doctors cost per WAU	This is a doctor specific version of the pay cost per WAU metric. This allows trusts to query why their doctor pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Delayed transfers of care (DTOC)	A DTOC from acute or non-acute care occurs when a patient is ready to depart from such care is still occupying a bed. This happens for a number of reasons, such as awaiting completion of assessment, public funding, further non-acute NHS care, residential home placement or availability, or care package in own home, or due to patient or family choice.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation divided by total revenue. This is a measurement of an organisation's operating profitability as a percentage of its total revenue.
Emergency readmissions	This metric looks at the number of emergency readmissions within 30 days of the original procedure/stay, and the associated financial opportunity of reducing this number. The percentage of patients readmitted to hospital within 30 days of discharge can be an indicator of the quality of care received during the first admission and how appropriate the original decision made to discharge was.
Electronic staff record (ESR)	ESR is an electronic human resources and payroll database system used by the NHS to manage its staff.
Estates cost per square metre	This metric examines the overall cost-effectiveness of the trust's estates, looking at the cost per square metre. The aim is to reduce property costs relative to those paid by peers over time.
Finance cost per £100 million turnover	This metric shows the annual cost of the finance department for each £100 million of trust turnover. A low value is preferable to a high value but the quality and efficiency of the department's services should also be considered.
Getting It Right First Time (GIRFT) programme	GIRFT is a national programme designed to improve medical care within the NHS by reducing unwarranted variations.
Human Resources (HR) cost per £100 million turnover	This metric shows the annual cost of the trust's HR department for each £100 million of trust turnover. A low value is preferable to a high value but the quality and efficiency of the department's services should also be considered.

Term	Definition
Income and expenditure (I&E) margin	This metric measures the degree to which an organisation is operating at a surplus or deficit. Operating at a sustained deficit indicates that a provider may not be financially viable or sustainable.
Key line of enquiry (KLOE)	KLOEs are high-level questions around which the Use of Resources assessment framework is based and the lens through which trust performance on Use of Resources should be seen.
Liquidity (days)	This metric measures the days of operating costs held in cash or cash equivalent forms. This reflects the provider's ability to pay staff and suppliers in the immediate term. Providers should maintain a positive number of days of liquidity.
Model Hospital	The Model Hospital is a digital tool designed to help NHS providers improve their productivity and efficiency. It gives trusts information on key performance metrics, from board to ward, advises them on the most efficient allocation of resources and allows them to measure performance against one another using data, benchmarks and good practice to identify what good looks like.
Non-pay cost per WAU	This metric shows the non-staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less per standardised unit of activity than other trusts. This allows trusts to investigate why their non-pay spend is higher or lower than national peers.
Nurses cost per WAU	This is a nurse specific version of the pay cost per WAU metric. This allows trusts to query why their nurse pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Overall cost per test	The cost per test is the average cost of undertaking one pathology test across all disciplines, taking into account all pay and non-pay cost items. Low value is preferable to a high value but the mix of tests across disciplines and the specialist nature of work undertaken should be considered. This should be done by selecting the appropriate peer group ('Pathology') on the Model Hospital. Other metrics to consider are discipline level cost per test.
Pay cost per WAU	This metric shows the staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less on staff per standardised unit of activity than other trusts. This allows trusts to investigate why their pay is higher or lower than national peers.
Peer group	Peer group is defined by the trust's size according to spend for benchmarking purposes.
Private Finance Initiative (PFI)	PFI is a procurement method which uses private sector investment in order to deliver infrastructure and/or services for the public sector.
Patient-level costs	Patient-level costs are calculated by tracing resources actually used by a patient and associated costs
Pre-procedure elective bed days	This metric looks at the length of stay between admission and an elective procedure being carried out – the aim being to minimise it – and the associated financial productivity opportunity of reducing this. Better performers will have a lower number of bed days.

Term	Definition
Pre-procedure non-elective bed days	This metric looks at the length of stay between admission and an emergency procedure being carried out – the aim being to minimise it – and the associated financial productivity opportunity of reducing this. Better performers will have a lower number of bed days.
Procurement Process Efficiency and Price Performance Score	This metric provides an indication of the operational efficiency and price performance of the trust's procurement process. It provides a combined score of 5 individual metrics which assess both engagement with price benchmarking (the process element) and the prices secured for the goods purchased compared to other trusts (the performance element). A high score indicates that the procurement function of the trust is efficient and is performing well in securing the best prices.
Sickness absence	High levels of staff sickness absence can have a negative impact on organisational performance and productivity. Organisations should aim to reduce the number of days lost through sickness absence over time.
Service line reporting (SLR)	SLR brings together the income generated by services and the costs associated with providing that service to patients for each operational unit. Management of service lines enables trusts to better understand the combined view of resources, costs and income, and hence profit and loss, by service line or speciality rather than at trust or directorate level.
Supporting Professional Activities (SPA)	Activities that underpin direct clinical care, such as training, medical education, continuing professional development, formal teaching, audit, job planning, appraisal, research, clinical management and local clinical governance activities.
Staff retention rate	This metric considers the stability of the workforce. Some turnover in an organisation is acceptable and healthy, but a high level can have a negative impact on organisational performance (eg through loss of capacity, skills and knowledge). In most circumstances organisations should seek to reduce the percentage of leavers over time.
Top Ten Medicines	Top Ten Medicines, linked with the Medicines Value Programme, sets trusts specific monthly savings targets related to their choice of medicines. This includes the uptake of biosimilar medicines, the use of new generic medicines and choice of product for clinical reasons. These metrics report trusts' % achievement against these targets. Trusts can assess their success in pursuing these savings (relative to national peers).
Weighted activity unit (WAU)	The weighted activity unit is a measure of activity where one WAU is a unit of hospital activity equivalent to an average elective inpatient stay.