Blackpool Teaching Hospitals NHS Foundation Trust

Use of Resources assessment report

Trust Headquarters, Blackpool Victoria Hospital
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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?	Requires improvement
Are services effective?	Requires improvement
Are services caring?	Good
Are services responsive?	Requires improvement
Are services well-led?	Inadequate

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 combined rating for Quality and Use of Resources is awarded by combining our five trust-level quality ratings of safe, effective, caring, responsive and well-led with the Use of Resources rating, using the ratings principles included in our guidance for NHS trusts.

This is the first time that we have awarded a combined rating for Quality and Use of Resources at this trust. The combined rating for Quality and Use of Resources for this trust was requires improvement, because:

- We rated safe, effective, responsive and well-led as requires improvement, and caring as good. We rated six services as requires improvement, one as inadequate, nine of the trust's services as good and one service as outstanding. We rated caring for community services as outstanding.
- We rated well-led for the trust overall as inadequate.
- The trust was rated Requires Improvement for use of resources. Full details of the assessment can be found on the following pages.

NHS Trust

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Date of inspection visit: 03 June to 07 June 2019
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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 09 May 2019 and met the trust's leadership team including the chief executive and the chair, 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.
- In 2017/18 the trust reported a surplus of £5.2m (including Sustainability and Transformation Funding) against a control total and plan of £3.8m surplus. However, the trust failed to balance its budget in 2018/19.

- In 2018/19 the trust agreed a Control Total deficit of £10.5m excluding Provider and Sustainability Funding (PSF). At month 10 the trust reforecast their position to a deficit of £15.5m (excluding PSF), a shortfall of £5m against the Control Total. This reforecast position was delivered at year end. Including PSF the trust's final reported position was a deficit of £9.7m.
- The trust delivered £22.3m savings in 2017/18 against a target of £22.2m, however, only 34.2% was recurrent. For 2018/19, the trust had a cost improvement plan (CIP) of £18.1m (4.0% of its expenditure) and delivered £17.7m, however, only £5.2m of which was recurrent (29.6%). The trusts reliance on non-recurrent CIP schemes was highlighted as an area for improvement in the last Use of Resource assessment, however, the reliance has since increased. This has contributed towards their deficit position for 2018/19.
- The trust has relatively low cash reserves and is reliant on external loans to meet its financial obligations and deliver its services.
- At the time of the assessment in May 2019, the trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer and Accident & Emergency (A&E).
- Areas where opportunities for improvement were identified included Did Not Attend rates, sickness absence and pre-procedure elective and non-elective bed days. In addition, the trust did not meet its agency ceiling as set by NHS Improvement for 2018/19 and is spending more than the national average on agency as a proportion of total pay spend.

However;

- The trust spends less on pay and other goods and services per weighted unit of activity (WAU) than most other trusts nationally. For 2017/18, the trust had an overall cost per WAU of £3,315 compared with a national median of £3,486. This indicates that the trust is more productive at delivering services than other trusts by showing that, on average, the trust spends less to deliver the same number of services.
- Individual areas where the trust's productivity compared well included Delayed Transfers of Care, emergency readmissions and non-pay cost per WAU.

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 May 2019, the trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer and Accident & Emergency (A&E).
- Patients are less likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 7.47%, emergency readmission rates are below the national median as at quarter 3 2018/19.
- More patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England.
  - On pre-procedure elective bed days, at 0.15, the trust is performing in the second highest (worst) quartile when compared nationally – the national median is 0.13. However, this is despite a high day case rate.
  - On pre-procedure non-elective bed days, at 0.71, the trust is performing in the second highest (worst) quartile compared nationally – the national median is 0.66. However, there has been a significant improvement in this metric over the previous 12 months, coming down from 0.96 (quarter 3 2017/18) to 0.71 (quarter 3 2018/19). The trust attributed this to improved theatre efficiency, following work with Four Eyes (a consultancy company), in particular the introduction of weekend trauma and orthopaedic lists and the collaborative work with health and social care that has improved flow and reduced length of stay.
- Productivity gains have been made in outpatients and theatres resulting in fewer DNAs and consequently a higher utilisation rate. The trust noted it works as an active member of the Integrated Care System (ICS) supporting leadership across the system. Joint working examples include; a haematology collaborative with Lancashire Teaching Hospitals NHS FT and improved musculoskeletal services.
- The Did Not Attend (DNA) rate for the trust is still high at 8.51% for quarter 3 2018/19, however, is an improvement on 9.5% at the last Use of Resources assessment. The trust attributes the improvement to the introduction of a two-way text messaging system whereby appointments can be reallocated. The trust noted that Children's services are the most problematic area for DNA rates.
- The trust reports a delayed transfers of care (DTOC) rate, of 2.6%, that is lower than average and lower than the trust's own target rate of 3.5%. DTOC rates have remained below the target rate for the previous 12 months, aside from July-September 2018. The trust noted this prompt discharge of patients was due to collaborative working with both the Clinical Commissioning Group (CCG) and Local Authority, in particular relating to the winter plan. In addition, effective streaming of A&E patients to primary care and the widespread adoption of the discharge to assess model had been key components. Delayed patients has reduced from an average of 30 to 21 patients a month.

- The trust was able to demonstrate some engagement with the Getting It Right First Time (GIRFT) programme with reviews taking place in 14 specialities, however, it was noted that further work was required to embed GIRFT throughout the organisation.
- With regards to GIRFT, the ophthalmology opportunity identified in the last visit has been progressing by way of a positive review by the Royal College, however, it has not yet been implemented. Examples of improvements include;
  - The % of elective primary hip replacement with cemented fixation for patients over 70 has increased from 41% in 2016/17 to 44% in 2017/18
  - A reduction in the length of stay for transurethral resection of bladder tumours from an average of 2.48 days in 2017 to 1.6 days in 2018
  - An increase in day case mastectomies rates from 25% in 2018 to 38% in 2019 (to date).

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 £2,180, compared with a national median of £2,180. This means that it spends on the average for staff per unit of activity when compared nationally.
- The trust benchmarks in the highest (worst) quartile for Nursing cost per WAU (£870 compared with a national median of £710) and Allied Health Professionals (AHP) cost per WAU (£160 compared with a national median of £130). The trust noted this is in part due to the provision of community services with 16.5% of clinical output being attributed to these services.
- For medical cost per WAU, at £372, the trust benchmarks in the lowest (best) quartile when compared to the national median of £533. The trust explained that although their medical workforce is productive, this is also as a result of medical vacancies. The trust was able to evidence work undertaken to reduce their medical vacancies from 63 to 30 between May 2018 and April 2019. The trust in part attributes the reduction in vacancies to successful international recruitment, including an improved induction and orientation programme.
- The trust did not meet its agency ceiling as set by NHS Improvement for 2018/19 (£14.6m spend against £12.1m ceiling). It is spending more than the national average on agency as a proportion of total pay spend (5.0% vs 4.4%). However, part of this overspend was linked to the agreed winter plan, which included funded agency staff as part of the escalation of capacity over the winter period.
- For 2017/18 the trust had an agency cost per WAU of £107 compared with a national median of £107. The trust explained an internal bench had been set up for admin and clerical staff and provided evidence to show agency spend for these staff groups has dropped from £1.9m in 2016/17 to £969,545 in 2018/19. The trust has also just introduced a medical bank which is aimed at reducing the dependence on medical agency.
- The trust were able to describe a number of alternative workforce models that have been put in place to address shortages and reduce the reliance on agency staff. Examples shared included:
  - Consultant Podiatric Surgeon, which showed very high levels of patient satisfaction
  - High Risk Podiatry team, which has seen access to the specialist multi-disciplinary foot service being reduced from 11 weeks to 6 weeks in the first 12 months, and a further improvement to only 1 week at the time of the assessment
  - Point of Care Physio Diagnostic Lung Ultrasound, where the trust has 4 Core Ultrasound Intensive Care Accredited Physio's, with a further 6 in training and 4 more due to start in June 19.
- The trust uses e-rostering for its nursing, community and AHP workforce. For nursing, staff rosters are signed off at least 6 weeks in advance. The trust noted that in 2019 the trust will be implementing the Allocate Safer Staffing and CNST Care Hours per Patient per Day tool, as recommended by NHSI.
- As of February 2019, 85% of consultants had a completed electronic job plan with the remaining 15% in mediation or final stages. The trust noted it has set a deadline of Summer 2019 to complete all consultant electronic job plans. The trust has also undertaken job planning across the AHP workforce.
- At the time of the assessment, the trust had a staff retention rate of 85% against a national median of 85.6%. However, it was noted this metric uses a 12 month rolling average and therefore, since October 2018 has been adversely impacted by the transfer of community staff to University Hospitals of Morecambe Bay NHS FT. Prior to October 2018, the trust was consistently above the national median for staff retention.
- At 5.39% in November 2018, staff sickness rates are worse than the national average of 4.35%. The trust explained this is in part driven by the local health economy, with deprivation rates high within the local population. The trust highlighted the main reasons for sickness absence being stress, anxiety and Muscoskeletal (MSK) related illnesses. They described a number of new Occupational Health roles that are aimed at delivering a reduction against these key areas and could demonstrate some improvement since the actions have been put in place.

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

- The overall cost per pathology test, at £1.79, benchmarks in the second lowest (best) quartile nationally against a national median of £1.86. The trust is part of a pathology network which has led to some types of testing being centralised and savings from using a single equipment supplier.
- The number of pathology tests per capita is in the highest (worst) quartile nationally at 31.9 against a national median of 22.5. At the time of the assessment, the trust was unable to explain why this was the case but suggested that it could be the result of carrying out a high volume of tests and specialist testing for its tertiary services, for example cardiac and haematology.
- For imaging, the overall cost per report benchmarks in the second lowest (best) quartile at £46.27 compared to the national median of £50.05. Data from a national data collection shows that the trust had a backlog of X-ray, CT and MRI scan readings, but provided evidence to show that the backlog has steadily decreased between 2017 and 2019. Agency, bank and overtime costs were 7.9% of total costs, compared to a national median of 5.2%. The trust reports that this has now fallen to 5.8%.
- At £257, the trust's medicines cost per WAU is under its peer average of £267 and the national median of £309. As part of the Top Ten Medicines programme, it is making good progress in delivering on nationally identified savings opportunities, delivering £1.83m of additional savings as of March 2019. The trust has made good progress in implementing switching opportunities for biosimilars where appropriate, however, there are more opportunities to pursue for Rituximab and Etanercept.
- For 2017/18 the trust had the lowest (best) number of days of medicines stockholding when compared nationally - 6 days compared to a national median of 21 days. The trust attributed this to the ongoing work done by the stock review group within the pharmacy department.
- Sunday on ward pharmacy hours per day are currently at 0 hours compared to a national median of 4 hours. However, the trust explained there is a Saturday and Sunday service in place which is predominantly a supply function. The trust noted there is an internal review to look at this going forward.
- The trust was able to demonstrate the use of technology to improve operational productivity, such as; two way text reminders, virtual speech and language therapy sessions within care homes and remote consultation sessions within haematology. In addition the trust has a Nexus system that it has developed which enables ward tracking, effective ward handovers and sharing of information with primary care.

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 £1,136, compared with a national median of £1,307, placing it in the lowest (best) quartile nationally.
- The trusts finance function cost per £100m turnover, at £572k, benchmarks below the national median of £676k, placing the trust in the second lowest (best) quartile.
- The trusts Human Resources department cost per £100m turnover, at £1.07m, is above the national median of £898k, placing the trust in the second highest (worst) quartile. In the previous year the trust was in the second lowest (best) quartile nationally. However, the trust noted that the latest costs include a £1m apprenticeship levy and the costs of an e-rostering team that were not included in the previous year's costs. The costs are also high due to the need to use interim HR agency support. It was noted that the trust's spend on Occupational Health (OH) and Wellbeing was low, however, the trust explained this was as a result of recruitment issues and were able to demonstrate their plans to further invest here, for example, with the appointment of a Mental Health Nurse within OH.
- For IM&T, the trust benchmarks slightly above the national average with a cost per £100m turnover of £2.50m compared to a national median of £2.47m.
- The trust's supplies and services cost per WAU is £403, compared to £350 for peers and £364 for the national average. Since the last year, the trust's Procurement Process Efficiency and Price Performance Score has risen from the fourth (worst) quartile to the edge of the second quartile, with a score of 51. This means the trust has risen from 110th to 65th best and it also represents that this would be even better if discounts from suppliers are taken into account.
- At £271 per square metre in 2017/18, the trust's estates and facilities costs benchmark below the national average of £338. The trust's backlog maintenance of £99 per square metre is below the national average of £186 per square metre. The trust also benchmarks well in a range of other areas including energy costs, waste cost and facilities maintenance costs.

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

- The trust is in deficit and has an inconsistent track record of managing spending within available resources and in line with plans.
- In 2017/18 the trust reported a surplus of £5.2m (including Sustainability and Transformation Funding) against a control total and plan of £3.8m surplus.
- In 2018/19 the trust agreed a Control Total deficit of £10.5m excluding Provider and Sustainability Funding (PSF). At month 10 the trust reforecast their position to a deficit of £15.5m (excluding PSF), a shortfall of £5m against the Control Total. This reforecast position was delivered at year end. Including PSF the trust's final reported position was a deficit of £9.7m (2.25% of turnover).
- The trust delivered £22.3m savings in 2017/18 against a target of £22.2m, however, only 34.2% of this was recurrent. For 2018/19, the trust had a cost improvement plan (CIP) of £18.1m (4.0% of its expenditure) and delivered £17.7m, however, only £5.2m of which was recurrent (29.6%).
- The trusts reliance on non-recurrent CIP schemes was highlighted as an areas for improvement in the last Use of Resource assessment, however, the reliance has since increased. This has contributed towards their deficit position for 2018/19.
- 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 and liquidity metrics. In 2018/19 the trust was reliant on short-term loans to maintain positive cash balances.
- The trust have a PLICS system which is fully embedded within the business intelligence model, however, it is still in early stages of engagement.
- The trust had an external review completed on their commercial income and they were thought to have minimal opportunity which they had not yet maximised.
- The trust spent £6.8m on consultancy in 2018/19, however, £5.9m of this related to the hosted services.

Outstanding practice

- For 2017/18 the trust had the lowest (best) number of days of medicines stockholding when compared nationally - 6 days compared to a national median of 21 days. The trust attributed this to the ongoing work done by the stock review group within the pharmacy department.

Areas for improvement

- The trust needs to develop a plan to return to financial balance, remove the requirement for borrowing to meet its financial obligations and reduce the reliance on non-recurrent CIP.
- The trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer or Accident & Emergency (A&E) at the time of assessment.
- The DNA rate is above the national median and despite some improvement since the last Use of Resources assessment, further work is required to reduce this.
- Despite some improvements, the trusts pre-procedure elective and non-elective bed days benchmark above the national median.
- GIRFT recommendations are not being embedded and becoming business as usual.
- The trust did not meet its agency ceiling as set by NHS Improvement for 2018/19 and it is spending more than the national average on agency as a proportion of total pay spend.
- At 5.39% in November 2018, sickness absence rates are significantly above the national average. Although some initiatives are already in place, the trust should consider further work to understand the reasons for this and develop further actions to address sickness absence rates.

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
N/A	N/A	N/A	N/A	N/A	N/A

Overall quality

N/A

Combined quality and use of resources

N/A

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.