Poole Hospital NHS Foundation Trust

Use of Resources assessment report

Longfleet Road
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Date of publication: 31/01/2020

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	Good
Are services safe?	Requires improvement
Are services effective?	Good
Are services caring?	Outstanding
Are services responsive?	Good
Are services well-led?	Good
Are resources used productively?	Good
Combined rating for quality and use of resources	Good

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.

The combined rating for Quality and Use of Resources for this trust was Good, because:

- At trust-wide level, we rated safe as Requires improvement, but effective, responsive and well-led as Good. Caring was rated as Outstanding for the first time.
- The trust was rated Good for its use of resources. Full details of the assessment can be found on the following pages.

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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?	Good

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 13 September 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

Good

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

We rated Use of Resources as good. The trust's overall cost per weighted activity unit (WAU) benchmarked in the lowest national quartile despite the trust being regarded as unsustainable in its current form, with a very high level of non-elective inpatient activity. The trust operated in a challenging environment with plans to

merge with a nearby trust and clinical services changes across the county. Despite this context, the trust performed relatively well on operational performance and demonstrated good clinical productivity and benchmarked well on clinical support services and corporate services. The trust however could make further progress on workforce (particularly around managing agency spend and staff retention) and it needed to consolidate its financial improvement trajectory.

- The trust had been deemed unsustainable in its current form several years ago, principally as a result of its unusually high level of non-elective and trauma activity. The trust had considered merging with the Royal Bournemouth and Christchurch NHS Foundation Trust in the past although this had not been permitted by the Competition and Market Authority (CMA). The trust had subsequently developed a 5-year financial recovery plan and 2018/19 represented the fifth and final year of this plan. The trust also serves an elderly population with an estimated 20% over 85 years old.
- At the time of the assessment, the trust continued to have a significant level of non-elective and trauma activity. The trust had renewed plans to merge with the Royal Bournemouth and Christchurch NHS Foundation Trust and the trusts had a joint Chair and Chief Executive. The trust was also part of a clinical service review across the local health economy which would impact on its services significantly when implemented.
- The latest data available at the time of the assessment (2017/18), showed that the trust's total cost per WAU, at £3,310, benchmarked in the lowest (best) quartile nationally indicating good productivity at the trust.
- During our assessment, we found that the trust benchmarked well against several metrics (delayed transfers of care, pre-procedure elective bed days) and was well engaged with the national Getting It Right First Time programme with examples of improvements delivered. The trusts had a theatre transformation programme which had delivered productivity improvements.
- Although the trust did not meet all the constitutional standards, it met the diagnostic 6-week wait consistently and performed above the national median for 4-hour accident and emergency (A&E) and the cancer 62-day targets.
- However, the trust's performance against the 18-week referral to treatment target was materially below the national median and further improvements were required in relation to readmissions and did not attend (DNA) rates.
- The trust's overall pay costs for 2017/18 benchmarked in the second highest (worse) quartile nationally driven by high medical, nursing and allied health professional (AHPs) costs. The trust had low agency cost per WAU compared to the national median, however the trust's spend on agency staff had increased significantly during 2018/19 as a result of vacancies and recruitment difficulties, as well as retention issues in the context of the proposed merger and clinical services review. The trust used electronic rostering and had started to roll out job planning for allied health professionals (AHPs).
- The trust had performed better overall than national and peer benchmarks across clinical support services with notably strong value for money in the delivery of its pathology services. Whilst the efficiency of its imaging and pharmacy services were closer to the median benchmarks, performance in both these areas had improved over the past 12 months as a result of enhanced management controls and processes.
- The trust had an overall non-pay cost per WAU of £1,108 which was better than the national median with the trust's supplies and services cost per WAU being one of the lowest nationally. The trust had invested in its procurement function which represented good value for money in the context of the low non-pay costs achieved. The estates running cost remained well below national medians although increased in 2018/19 to ensure that critical infrastructure risk was controlled at low levels. The trust benchmarked better than the national median for the costs of the finance, human resources and information management and technology functions.
- The trust had not met its deficit control total in 2018/19 due to operational pressures and under-delivery of its cost improvement plan (CIP). The trust had a plan in 2019/20 which would improve its financial position but relied on controlling operational pressures, agency spend and the delivery of its CIP. The trust had achieved its CIP in 2018/19 but with a significant level of non-recurrent items and this continued into 2019/20. External reviews had however identified that the trust could achieve further efficiencies. The trust relied on revenue cash support from the Department of Health and Social Care (DHSC) to pay its staff and suppliers.

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

The trust delivered a high level of non-elective and elderly inpatients activity which had an impact on its productivity. The trust benchmarked well for delayed transfers of care and pre-procedure elective days and was well engaged with the national Getting It Right First Time national programme. Although the trust did not achieve all national operational standards, it performed above the national median for A&E and 62-day cancer targets and met the 6-week diagnostic standard. However, the trust's performance against the 18-week referral to treatment standard was materially below the national median and further improvements were required in relation to readmissions and did not attend (DNA) rates.

- At the time of the assessment, the trust did not meet all constitutional standards although their performance needed to be assessed in the context of a high mix of patients in non-elective care, with 92% of the trust's inpatient activity being non-elective.
- During 2018/19, the trust had achieved a performance of 89% against the 4-hour accident and emergency standard (A&E), which was a decline from an average of 91% for the previous year. The trust however consistently performed above the national median during that year and had not reported any twelve-hour trolley waits for patients in this period. At the time of the assessment, the trust was piloting the new Urgent Care Clinical Standards and consequently was not reporting on its emergency performance. The factors contributing to urgent care delays included high attendances leading to crowding in the emergency department and the flow being constrained by the trust's ability to reduce long length of stay patients. The trust had not achieved the seven-day consultant standards with a lack of consultant cover, particularly to review patients within 48 hours of admission. The trust had however taken measures to improve its performance: it had worked to improve the emergency department's space and environment; it was receiving external support to improve flow with GP streaming models; had appointed an MSK physiotherapist to assist with minor injuries in the emergency department and had recruited additional consultants.
- The trust had consistently met the diagnostic 6-week wait access target during the year, except in December 2018 due to reduction in MRI capacity. The trust's performance for 2018/19 at 99% was an improvement on the prior year when the trust delivered 97%.
- The trust had not met the 18-week referral to treatment target with a performance of 85.12% for 2018/19 against a standard of 92% and its performance was 81.9% for July 2019 (latest data at the time of the assessment) which was materially below the national median. The trust had however improved on the number of patients waiting 52 weeks for treatment with none reported during 2018/19 and had held its waiting list to the same level as in 2017/18 despite an outbreak of ESBL Klebsiella pneumoniae during the year.
- During 2018/19, the trust had met the cancer 2-week wait constitutional standard but not the cancer 62-day wait with a performance of 83% (against the standard of 85%). During that period, the trust's performance had benchmarked generally better than the national median although the trust's performance had dropped significantly at the time of the assessment to 78.2% in July 2019.
- At the end of June 2019, the trust benchmarked in the highest (worst) quartile nationally for emergency readmissions with 9.79% against a national median of 7.97% and peer median of 8.44%. This represented an improvement on the prior year where the trust's rate was 10.7% (June 2018). During the assessment, the trust described the impact of the high number of geriatric patients it treats and the implementation of a frailty unit and ambulatory care for the elderly which allowed patients to be sent home quicker. Clinicians prioritised trying and getting patients back in their homes whenever possible although this meant a higher risk of readmission. This was an area where the trust needed to continue to focus on and improve.
- Overall, the trust benchmarked well on length of stay and delayed transfers of care despite the high mix of trauma patients presenting at the trust. The trust's average length of stay at 9.2 days was lower than the national median of 9.5 days at the end as of March 2019. The percentage of emergency admissions with a length of stay of zero or one day also benchmarked well at 59% compared with the national median of 53%. Furthermore, the trust had a delayed transfers of care rate, at the end of 2018/19, of 3.3% of patients which was lower (better) than the national median of 3.4%. The trust had achieved this through working with local health and social care partners across Dorset to bring patients home sooner although the trust acknowledged that the necessary packages of care across the system were not always available.
- More patients were coming into hospital unnecessarily prior to non-elective treatment compared to most other hospitals in England although about the same as other hospitals in England were coming unnecessarily for elective treatment for quarter 1, 2019/20:
  - On pre-procedure elective bed days, at 0.12, the trust was performing in the second lowest (best) quartile and compared to the national median of 0.12 days.
  - On pre-procedure non-elective bed days, at 0.70, the trust was performing in the second highest (worst) quartile above the median (0.66) when compared nationally. The trust reported a number of factors contributing to this performance: an elderly population with a high number of patients not fit for surgery on the day of admission (an audit had shown that 30% of trauma patients were unfit on admission); the impact of the trust's focus on only admitting for surgery the most complex patients; no morning CEPOD list limiting capacity for non-elective surgical patients and insufficient theatre capacity for the level of trauma activity. The trust was addressing this performance through its theatre transformation programme.
- The trust's outpatient did not attend (DNA) rate benchmarked in the highest (worst) quartile nationally, at 8.7% of patients compared to the national median at 7.1% (quarter 1 2019/20). The trust had decommissioned its reminder service in April 2019, which had impacted the DNA rate. Work was ongoing to replace the service which would be

implemented later in 2019. The trust was also working on the booking process and alternative ways to deliver outpatient appointments such as virtual clinics where appropriate. The trust had also implemented a virtual fracture clinic which commenced in March 2019 with a high number of patients referred and benefitting from telephone triage and review by consultants within 72 hours.

- Following a visit from the Care Quality Commission, the trust had engaged into a theatre transformation programme focusing on improving value and which had started to deliver productivity improvements. The work had identified opportunities for procedures previously done within theatres to be transferred to an outpatient setting (e.g. gynaecology and maxillo-facial procedures) releasing capacity (600 more cases). The trust acknowledged further improvements could be achieved, and this was taken further within the local health system. The proportion of day cases to all elective activity as at February 2019 (latest data available) was 88% which benchmarked in the second highest (best) quartile nationally.
- The trust had continued to engage well with the GIRFT national programme, and the trust was progressing with implementing the recommendations made by the programme following deep dives into several specialties. GIRFT reviews had also included potentially merged services with the Royal Bournemouth and Christchurch NHS Foundation Trust, for example, reviewing low volume work pre-surgery. At the time of the assessment, the trust was also looking to streamline its governance structure to ensure the GIRFT programme drove quality improvement across clinical areas at the trust.

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

The trust had a high pay cost per WAU for 2017/18 with high medical, nursing and allied health professional substantive pay costs. Although the trust had a low agency cost per WAU in 2017/18, its agency spend had increased materially in 2018/19 as a result of operational pressures but also the context it operated in which impacted its retention rate.

- The trust's overall pay cost per WAU for 2017/18 (latest data available) at £2,202 was in the second highest (worst) quartile nationally and compared to the national median of £2,085. This compared with 2016/17, when the trust was in the second lowest (best) quartile nationally. The trust argued that this is driven by the activity mix with high level of non-elective and trauma work and identified a small number of providers in England sharing similar characteristics than the trust. The benchmarking however, showed that the trust was higher than the median of this group apart from nursing costs per WAU where it is at the same level.
- The high overall pay cost was driven by the high substantive medical cost per WAU (£599) which benchmarked in the highest (worst) quartile and compared with a national medical cost per WAU of £571. The trust attributed the high medical pay cost to the high number of trauma patients the trust treated (particularly, with regards to the very high number of fractured neck of femur cases) which required a high number of trauma surgeons and anaesthetists compared to the relative size of the trust. The trust had also identified through an internal review of medical spend that several consultant anaesthetists were acting down to meet unfilled junior doctors' rotas. This was an area the trust needed to continue to focus to reduce medical costs.
- Substantive nursing costs per WAU were in the second highest (worst) quartile nationally for 2017/18 and were £738 compared with a national median of £683. Substantive Allied Healthcare Professionals (AHPs) cost per WAU was in the highest (worst) quartile at £170 compared with the national of £113. These were attributed to the higher mix of trauma patients and the high levels of support delivered from AHPs including in the emergency department and in the virtual fracture clinic.
- The trust applied a systematic twice-yearly establishment review of staffing and had completed the recommendation from the prior use of resources assessment in 2017 in progressing electronic rostering for both nurses and AHPs, completed through Healthroster and Safe Care. At the time of the assessment, 100% of nurses and AHPs were on an electronic roster. Electronic rostering for medical staff had not been started at the time of this assessment.
- The trust reported that only 55% of medical job plans had been signed off at the time of the assessment. However, the trust had started to roll out job planning for AHPs and had started to use the information to build capacity and introduce new ways of working. The trust was also a pilot for the new national AHP productivity tool and the learning from the pilot was supporting the wider health system in Dorset. The trust reported that job planning had proved a good way to retain, engage and empower staff.
- The trust had a retention rate of 85.2% at the end of December 2018, which was marginally worse than the national median of 85.6% but had declined since June 2018. The trust attributed this issue to the context in which it operated, with plans to merge with the Royal Bournemouth and Christchurch NHS Foundation Trust and the local review of

clinical services which would potentially change the configuration of the services delivered from the trust site in the future. Several staff had also elected to move into primary care and community roles in Dorset which was an area of investment in Dorset. Particularly, several nurse specialists had moved into roles in support of brain injury, cancer care and alcohol support.

- As at June 2019, the trust's sickness rate was 3.58% compared to a national median of 3.96% placing the trust in the second lowest (best) quartile nationally supported by the consistent application of the trust sickness management policy and proactive support for staff.
- For 2017/18, the trust's agency staff cost per WAU benchmarked in the second lowest (best) quartile nationally with a cost of £68 per WAU compared with the national median of £107. However, the spend on agency staff had grown from £5.1 million in 2017/18 to £8.8 million in 2018/19 (75% increase) mainly in nursing. The trust had not been able to cap its spend over the last three years to the spend ceiling given by NHS Improvement and it was not planning on achieving its ceiling in 2019/20 either, although it expected the spend to start reducing later on during the year as a result of a significant international nurse recruitment programme the trust was now progressing after initial delays. More recently the trust had started to collaborate with the Royal Bournemouth and Christchurch NHS Foundation Trust to jointly commission agencies and offer the same rates and establish a staff bank across both trusts.
- The trust described strong links with higher education institutes in developing roles in advanced clinical practice and giving staff the opportunity to achieve a master's degree across nursing, therapies and scientific staff. The trust was also actively participating in the recruitment and support of nurse apprenticeships and in trainee nurse associate roles although it reported that the numbers to date had been relatively low.

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

The trust had performed better overall than national and peer benchmarks across clinical support services with notably strong value for money in the delivery of its pathology services. Whilst the efficiency of its imaging and pharmacy services were closer to the median benchmarks, performance in both these areas had improved over the past 12 months as a result of enhanced management controls and processes.

- The trust had one of the lowest pathology costs per test in the country based on the latest benchmarking (quarter 4, 2017/18) showing the trust at £1.07 per test compared with peer and national medians of £1.92 and £1.75 respectively. The trust benefitted from an exceptionally good value managed equipment service contract. The trust had delivered predominantly non-recurrent cost savings through vacancy management and had also achieved efficiencies in the processing of some of the specialist testing which were being sent to University Hospital Southampton NHS Foundation Trust. The trust was very pro-active in the development of the Southern Counties Pathology network with future savings across Dorset being modelled at circa 30%.
- The metrics for imaging services had improved over the review period with the trust benchmarking on average in the second-best quartile nationally with particularly strong performance in controlling reporting backlogs, although this had required an increased need to outsource reporting. Areas of improved metrics were in using a different skill mix to maintain performance in the face of recruitment challenges whilst maintaining the quality of service. The age profile of the trust's equipment was better than median comparators other than for MRI with one of the three MRIs being unreliable during the year which had impacted on the service and was scheduled for replacement. The metrics where the trust benchmarked below the national median related to the number of reports per reporting PA and the level of pay costs. Further investigation shows that the trust undertook relatively high levels of cancer related testing (the trust's cancer activity represented 6% of the total activity) where the reporting is typically more complex and time consuming. The trust had positioned itself well for future local networking in line with national direction. The trust operated on a shared PACS system with Royal Bournemouth and Christchurch NHS Foundation Trust and a shared PACS system across Dorset remained a future aspiration.
- The latest available benchmarking (2017/18) showed the trust's medicines cost (£307 per WAU) to be below the national and peer medians and in the 2nd best national quartile. This had been achieved with an average rate of switching of drugs to biosimilar products with the associated savings. The trust recorded that it had significantly improved its switching in 2018/19 by strengthening the early clinical engagement. The trust was relatively well advanced with the deployment of EPMA which was now operating across two thirds of its services. The trust had strengthened the percentage of pharmacists prescribing from 30% to 50% (better than national median at the time of the assessment) to reduce prescribing errors and efficiency. Indicative data shows however that the medicines

cost per WAU for the 12 months to June 2019 had increased from £307 to £383 which represents an increase against the national median, and this worsening position, particularly for high cost drugs, took the trust from 2nd to 3rd best quartile. The trust was particularly strong in networking regionally in the development of pharmacy services and to help address the challenges of recruitment across Dorset.

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

For the financial year 2017/18 the trust had an overall non-pay cost per WAU of £1,108 which compared very favourably with the national median of £1,307 and peer median of £1,194. The main non-pay cost was the medicines cost which for 2017/18 was below the national median (as discussed above). However, the trust's supplies and services cost per WAU of £318 in 2017/18 was one of the lowest nationally, significantly below the median of £364 as well as the peer median of £372. The trust's strong performance in the prices achieved in its procurement (14th best nationally) had been an important contributing factor. The estates' running cost remained well below national medians although had increased in 2018/19 to ensure that critical infrastructure risk was controlled at low levels. Overall backlog continued to rise and weak patient survey scores both partly reflected the 'inertia' ahead of the planned major site redevelopment. The trust benchmarked better than the national median for its corporate costs with each of the components of finance, human resources and information management and technology functions being more efficient than peer median.

- The relative performance of the trust's procurement function was nationally benchmarked, and the latest benchmark showed the trust to be ranked 34th which was just in the top quartile nationally with particularly strong (14th best) performance for price efficiency. In terms of the procurement processes the trust was rated less well but this was set to improve following the achievement of the Level 1 NHS Procurement Standards in July 2019.
- The trust worked closely with Royal Bournemouth and Christchurch NHS Foundation trust and Dorset County Hospital NHS Foundation Trust to procure collaboratively where beneficial and with an agreed plan for further future alignment. The cost of the trust's procurement function for 2018/19 benchmarked as being in the most expensive national quartile (based on the ratio of cost to trust income) being 68% above the national median. The trust had invested in the function over the past year and had also incurred some agency costs to cover vacancies. This had however enabled the trust to improve its overall performance as discussed above but highlighted the likely benefit of the planned consolidation across Dorset. The trust had delivered cost improvements of £0.5 million in 2018/19 with a similar value targeted in 2019/20 with an external review indicating a median target in line with this.
- The cost of the trust's corporate services for 2018/19 was £5.67 million per £100 million turnover which benchmarked overall in the 2nd quartile nationally with all three subcomponents of corporate services benchmarking better than the national median. Most of the trust's financial services were outsourced with the trust benchmarking well although the overall cost had increased from last year due to increased transactions arising from the Healthcare at Home service. The trust believed that its payroll costs were high, partly reflecting the increased cost of making weekly payments on 'bank' staffing, however the recent benchmarking indicated limited savings opportunity. The trust marginally overdelivered on its corporate cost improvements in 2018/19 and had set an ambitious target for 2019/20 indicating good grip and control over these costs.
- The trust had increased its human resources (HR) function by 20% in the year to March 2019, with a significant increase in organisational development capacity being an investment in support of the planned merger process. The investment in the recruitment function was however low relative to national benchmarks. Given the significant recruitment challenges, this was a function which the data suggested required additional investment and the trust confirmed that it had increased staffing this year and was now at full establishment together with increased recruitment being undertaken at system level.
- The trust recognised the need to invest more in information management and technology (IM&T) but had been constrained in its capacity to invest with its overall digital maturity being below the national median. A joint digital strategy with the Royal Bournemouth and Christchurch NHS Foundation Trust had been slow to develop but had been presented to both trust boards the previous month to improve staff satisfaction with the IM&T. There were areas where the trust was relatively well progressed being an early adopter of EPMA and together with its local partners being advanced in the development of shared electronic patient records.
- The 2017/18 benchmarking of the estate running cost (£271 per square meter) placed the trust in the lowest cost quartile nationally with particularly low costs for the hard facilities management (FM) services. This cost had increased to £310 per square meter for 2018/19 however the national median has also increased, and the trust remained in the lowest cost quartile. The overall levels of backlog maintenance were particularly high and 38% above the peer median, however the trust had maintained a very low level of critical infrastructure risk. Overall, the trust had taken a managed approach to maintaining the estate in the context of the planned major site

redevelopment. Greater opportunities for efficiencies were identified in the delivery of the soft FM services and particularly cleaning. The trust had retendered this contract which was expected to deliver material savings however the cost per meter squared was still high compared with benchmarks and showed only a marginal decrease in 2018/19. The patient surveys showed consistently lower levels of satisfaction with the estate. An acknowledged priority for the trust was to improve the dementia friendly rating of the estate to benefit patient's recovery including for cohorts of the elderly where length of stay was an issue.

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

The trust had a total cost per WAU of £3,310 for 2017/18 which benchmarked in the lowest (best) quartile nationally although this represented a slight deterioration on the prior year. Despite this apparent good productivity, the trust had delivered a deficit in 2018/19 which was a deterioration on 2017/18 but was on plan to deliver a slightly improved position for 2019/20 and a break-even position including central funding. The trust had delivered material efficiency savings over several years, but it had under-delivered against its cost improvement plan (CIP) in 2018/19 and it had received the support of an external firm to identify its CIP for 2019/20. The trust relied on cash revenue support from the Department of Health and Social Care in 2018/19 and 2019/20.

- In 2018/19, the trust had delivered a £19.5m million deficit (excluding Provider Sustainability Funding (PSF); £10.9 million deficit including PSF) which represented 7.8% of its turnover and was £6.6 million worse than its control total agreed with NHS Improvement. The trust had built its plan in the context of the Dorset NHS group overarching plan. It was however aware of a £4 million gap at planning stage to be filled through its cost improvement plan (CIP) and failing that would look to the system to offset the under-delivery. This was the first time in five years the trust had not achieved its five-year recovery plan and represented a deterioration on the prior year financial position.
- For 2019/20, the trust had a plan to deliver a £17.7 million deficit excluding central funding (eg PSF) which represented 6.8% of its turnover, and a breakeven position including central funding. This was in line with its control total and would improve on its prior year position. As at the end of August 2019, the trust's financial position was slightly below plan (£0.2 million) but it continued to forecast the achievement of its full year plan. However, we noted that the trust's plan included the continued risk of agency spend pressure, the trust having mitigated the other risks on its financial position. As discussed in the people section above, the trust expected a significant intake of new staff which would help reduce the agency spend run rate later during the year.
- The trust had delivered material efficiency savings in each of the four years of its financial recovery plan. For 2018/19, the trust had set itself a £10.9 million CIP target (4.1% of expenditure) but only delivered £6.0 million (2.2% of expenditure), with 52% delivered recurrently. The trust had not managed during the year to identify schemes to fully address the gap it had at the planning stage. Mid-way through 2018/19, the trust had commissioned an external rapid assessment of cost improvement opportunities which identified the potential save between £0.9 million to £6 million (£2.7 million to £19 million on a full year basis) that year. At the end of the year, the trust had under-delivered on several schemes including workforce, procurement, estates & facilities, and income.
- For 2019/20, the trust had commissioned further support from an external firm to develop its cost improvement plan and provide the necessary tools to monitor its delivery, the trust not having an established project management office. The trust had a CIP target of £9.0 million for that year (3.1% of expenditure) but only 50% was recurrent. At the time of the assessment, the trust had identified 96% of its plan although as at September 2019 (five months into the year), only 65% of these schemes were fully developed. The CIP included efficiency improvements from procurement, pharmacy, estates & facilities and specific schemes identified by the clinical divisions. However, a significant part relied on non-recurrent one-off items and staff vacancy factors although this had to be seen in the context of a low overall cost per WAU. As at the end of August 2019, the trust was ahead of its CIP delivery by £0.4 million, although only 34% of the trust's achieved efficiencies were recurrent.
- During 2019/20, an external firm was commissioned to identify areas of potential efficiency improvements of the trust and the Royal Bournemouth and Christchurch NHS Foundation Trust, both as separate entities but also looking at the potential for synergies from the proposed merger of both trusts. The review showed that the trust could further deliver between £3.9 million and £7.3 million efficiencies over the next five years (2020-2024) internally with the greatest opportunities around job planning and grip and control over additional payments and overtime. The trust had identified £0.5 million it was looking to bring forward to deliver in 2019/20 to mitigate non-achievement of some in-year savings. It was clear from the external reviews carried out in 2018/19 and 2019/20 that the trust had further opportunities to deliver savings.

- The trust had a block contract with its main commissioners which for 2019/20 had been increased by £9 million. The trust continued to track its activity under payment by results and an external recent review of clinical coding had identified significant issues with the quality of clinical coding. This had provided opportunities for additional specialist income. The trust received commercial income (e.g. private patient, car parking etc) and the trust had identified several opportunities it was pursuing in 2019/20 (e.g. advertising, front entrance retail outlet).
- The trust produced service line and patient level costing information which on review indicated that several its services were not recovering their costs with the main ones being critical care, accident & emergency, trauma & orthopaedics. The trust provided examples where it had used PLICS information to recover income from its commissioners for critical beds.
- The trust had a debt service cover rating and a liquidity rating of 4 (worst) for 2018/19 with the liquidity rating expected to improve to a rating of 3 in 2019/20. The trust operated with very low cash balances (£1.2 million planned) but had established processes to manage the position and had not relied on emergency cash from the Department of Health & Social Care (DHSC) in 2018/19. Despite this low cash position, at the time of the assessment, the trust continued to perform well against the best payment practice code target with 94% of the number of invoices and 92% of their value paid within 30 days.
- The trust relied on revenue cash support from the DHSC as a result of its past and current deficit positions. The trust had received £9.6 million in 2018/19 and expected to receive £8.3 million in 2019/20. The trust's debt was expected to reach £35.7 million in 2019/20 mainly with the DHSC and split about equally between revenue and capital funding.
- The trust had spent £1.1 million on management consultants in 2018/19 mainly around the identification of its cost improvement programme, review of income and theatres. The trust had retained management consultants in 2019/20 to support the reduction of agency staff and at the end of September 2019, had spent £0.5 million.

Outstanding practice

During our assessment we identified several outstanding practice areas. Below are some of the key or most innovative ones:

- Virtual fracture clinic in place since March 2019, in four months 3,958 patients have received an orthopaedic consultant Virtual Fracture Clinic review within 72 hours of referral and 42% of these patients have been managed via telephone follow-up by a member of the Extended Scope Physiotherapy (ESP) team rather than the patient attending for a face to face clinic appointment, saving patients an unnecessary journey to the hospital and freeing up clinic time for review of the patients with more complex needs.
- The trust has an MSK physiotherapist in the emergency department (ED). The aim of the role is to assist the ED team with its compliance of the A&E target by supporting patients seen with minor injuries, notably MSK related and of the minor injuries seen by the physiotherapists. Patients are seen by experienced MSK physiotherapists who aim to ensure that the patients are diagnosed and given the appropriate advice focussing on self-management (including sign-posting to the physiotherapy website) and only referring on for a course of MSK physiotherapy if essential.
- 100% of nurses and AHPs were on an e-rostering system.

Areas for improvement

The following have been identified as key areas where the trust has opportunities for further improvement:

- The trust must continue to work with the Royal Bournemouth and Christchurch NHS Foundation Trust to secure the potential savings identified by the external review of efficiency opportunities both within the trust and across both organisations. This should also include continuing to develop its approach to quality/continuous improvement and establishing the necessary project management support.
- The trust must continue its effort to control and reduce its spend on agency staff. Particularly, the trust should consider what it can achieve in that respect by working with the Royal Bournemouth and Christchurch NHS Foundation Trust.
- The trust has in the highest (worst) quartile for readmissions. The trust should continue to identify the drivers of this position and take appropriate measures to lower the readmission rate.
- The trust benchmarks in the highest (worst) quartile for pre-procedure non-elective bed days. Although the trust has identified several drivers to this position which are out of its control, the trust should consider how it may be able to improve on this metrics.

- The trust should continue its effort to improve staff retention, particularly through working with system partners to identify possible solutions to better manage movements of staff between organisations, and ensuring staff remained engaged in the merger process and changes following the clinical service review.
- The trust should further understand the drivers of medical staff spend, particularly with regards to the cost of consultants acting down into rotas and robust signed off job plans.
- Although the trust has a low cost for its HR function, considering the difficulties in retaining and recruiting staff, the trust should consider what further investment it should make to its HR function.
- The trust's patient survey showed areas for improvement with patient satisfaction in aspects of the estate. The trust should continue to improve patients' environment, particularly to improve on its dementia friendly rating.
- The trust should continue to further develop its PLICS reporting and engagement with its clinical divisions to identify further improvement opportunities.

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
Requires improvement →← Jan 2020	Good →← Jan 2020	Outstanding ↑ Jan 2020	Good →← Jan 2020	Good →← Jan 2020	Good →← Jan 2020

Overall quality

Good →← Jan 2020

Combined quality and use of resources

Good →← Jan 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.