Wye Valley NHS Trust

Use of Resources assessment report

County Hospital
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Date of publication: 18/03/2020

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

Ratings

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

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

Our 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 stayed the same, we rated it as requires improvement because:

- we rated safe, effective, responsive, and well-led as requires improvement; and caring as good;
- we took into account the current ratings of the five core services not inspected at this time. Hence, four services across the trust are rated overall as requires improvement, eight core services are rated good and one service is rated inadequate
- The trust was rated requires improvement for use of resources. Full details of the assessment can be found on the following pages.

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Date of inspection visit: 12 Nov to 19 dec
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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 29th November 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 Use of Resources as Requires Improvement because the trust is not consistently making best use of its resources to enable it to provide high quality, efficient and sustainable care for patients:

Whilst the NHS trust faces a number of specific challenges as a result of its rural location, relatively small size, legacy Public Finance Initiative (PFI) arrangements, and a historical deficit financial position, each of which impact on its management and use of resources; it has been able to achieve some productivity improvements and maintain strong performance in some areas since the last assessment. In particular;

- The NHS trust continues to perform favourably against clinical services productivity metrics, such as 30-day Emergency Re-admissions, Did Not Attend rates and the length of time patients are in hospital prior to surgery. This indicates better utilisation of beds and outpatient clinic facilities.
- The NHS trust was on track to achieve its control total for 2019/20, which if realised would improve its deficit position from 22.4% to 16% of turnover.
- The NHS trust achieved 100% of planned efficiency savings in 2018/19 (£10 million 4.5% of expenditure), with £7.7 million (77%) reported as recurrent.
- The NHS trust is also on track to deliver £6 million (2.6% of expenditure) efficiencies in 2019/20.
- The NHS trust is not reliant on external consultancy support to develop and implement its cost improvement plans and maintains a very low spend on management consultants.
- Staff retention rates remain better than most other NHS trusts, and there is some evidence of improving workforce costs, through increased use of bank for nursing and some medical workforce categories.
- The NHS trust has been able to make some improvements in the cost of running the estate, and it is in the best quartile for costs of both Hard Facilities Management and Soft Facilities Management services, despite the restrictions in self-determination over building related services that exist under PFI contract.

However, it should be noted that:

- The financial deficit remains significant and the NHS trust has not yet developed a plan to return to financial balance in the medium term.
- The NHS trust is increasingly reliant on revenue and capital loans to meet its financial obligations and maintain a positive cash balance. Its historical deficit position and PFI commitments, are contributory factors to its challenging cash position.
- The NHS trust continues to rely on temporary staffing to deliver services, with agency spend at 9.6% of total pay costs.
- At the time of the assessment in November 2019, the NHS trust was not meeting the constitutional operational performance standards with deterioration in some.
- The remains scope to secure benefits of scale in support services, through collaboration with other NHS partners

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 November 2019, the NHS trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer and Accident & Emergency (A&E) and was meeting the standards for diagnostics.
- At the last assessment and in March 2018 the NHS trust was reporting 82.1% of A&E patients being treated within 4 hours, compared with the national standard of 95% and the national median of 88.5%. In this assessment and in September 2019 this had deteriorated to 78.9% against a peer median of 87.52.
- To support this increase in activity the NHS trust has made some improvements to flow. From mid October 2019, there has been a 7-day front door frailty team working alongside a consultant geriatrician with input on 3 out of 4 Saturday mornings over the winter period. Additionally, acute medicine has also increased its input into the emergency department and from mid-September with an acute Physician situated in Emergency Department on every weekday afternoon. Medical consultant 7-day working also improved in September with the Acute Medical Unit being staffed across 7 days and increased weekend ward rounds being conducted within job plans in respiratory, gastroenterology and cardiology.
- The DNA rate at quarter 2 in September 2019 was 6.46% compared with a national median of 7.14% and this has improved significantly from 7.2% since the last assessment in June 2018, and indicates better utilisation of outpatient clinic facilities

- Fewer patients are coming into hospital unnecessarily prior to treatment for non-elective care and elective care compared to most other hospitals in England for the period July to September 2019. On pre-procedure elective bed days, at 0.01, the trust is performing well below the median when compared nationally and this has improved from 0.04 at the last assessment – the national median is 0.12. On pre-procedure non-elective bed days, at 0.62, the trust is currently performing below the median when compared nationally – the national median is 0.65.
- Delayed Transfers of Care rates at the NHS trust have remained high since the last assessment when they were 6.9% and in October 2018, they were 7.1% compared to a national median of 3.4%. The NHS trust have a wide range of transformation programmes in place to reduce the DTOC rate.
- At the last assessment, (March 2018), the NHS trust's emergency readmissions rate was recorded as 6.5%. For period July to September 2019, this had reduced to 5.05% compared to a national median of 5.36%. This means that patients are less likely to require additional medical treatment for the same condition at this NHS trust compared to other providers nationally. Additionally, the NHS trust has made significant improvements to reduce mortality rates. At the end of May 2019, based on the Hospitalised Standard Mortality Rates the NHS trust was at 95.1 and was the most improved trust in the NHS over the last year.
- The NHS trust has actively engaged with the national 'Getting it Right First Time' (GIRFT) programme for services across several specialities. There are some action plans in place, but these do require increased oversight and governance. GIRFT recommendations have been utilised to improve clinic utilisation within Obstetrics and Gynaecology.

How effectively is the trust using its workforce to maximise patient benefit and provide high quality care?
The NHS trust has embedded their model of human resource support and clinical engagement which has resulted in improvements in staff retention rates during 2018/19. They are working to achieve full benefits realisation from their workforce productivity initiatives and have secured investment for IT applications to support workforce efficiency gains during 2020 and beyond**.**

- This NHS trust has worked to reduce workforce costs of delivering activity, improving their overall national position from the highest (most expensive) quartile at £2,548 in 2016/17 to third-highest cost quartile at £2,333 in 2017/18.
- The NHS trust benchmarks in the second-best quartile for medical cost per WAU at £524, compared to the national median of £533. The NHS trust is in the third highest quartile for nursing cost per WAU at £754, which matches their peer group, but remains higher than the national median of £710.
- However, Allied Health Professionals (AHP) costs for 2017/18 benchmark in the highest (worse) quartile at £180 which is above both their peer group and national median at £132 and £130 respectively. The NHS Trust believe this is due to inclusion on national returns of costs for their commissioned musculoskeletal physiotherapy services to primary care. The NHS Trust should undertake further work to clearly quantify the contribution to AHP costs.
- For 2018/19, this NHS Trust achieved a £2m reduction in agency spend, through implementing a range of initiatives established agency reduction programme. However, for the current year, the NHS Trust is not operating within the agency ceiling set by NHS England and NHS Improvement of £8.39 million for 2019/20 and is forecasting £12 million spend by year end. The NHS trust is spending more on off-framework agency than the same period the previous year.
- This NHS Trust identifies the reasons for high temporary staffing costs are largely due to vacancies, with a rate of 6.9% at September 2019, but also as a result of increases in establishment with the opening of a new AMU facility and a changed ED staffing model, both of which are attracting premium rate working. The NHS Trust is working through a bed rationalisation programme and undertakes regular establishment reviews using a recognised tool to validate nurse staffing levels.
- Offering incentivised rates has increased nurse bank fill rates by around 10 FTE per month, correspondingly reducing band 5 agency use by around 26%; introduction of a new bank management contract has reduced the rates of pay for 90% of nursing shifts, which they intend to extend to AHP temporary staffing during 2019/20. The international recruitment programme for 90 nurses is expected to realise cost benefits during 2020.
- Medical agency spend is reducing, largely as a result of utilising a direct engagement model to transfer agency locums to their internal bank but remains above internal trajectory.
- The NHS trust has maintained good performance and benchmarks in the second-best quartile nationally for staff retention rates at December 2018, which is a measure of stability of the workforce. The NHS Trust attribute this in part to a successful staff engagement programme and investing in staff development The NHS Trust has maintained this good level of performance in 2019.
- The sickness absence rate at 4.48% for August 2019, is above the NHS trust's internal target of 3.5%, and the national median of 4.06%, placing the NHS trust in the second worst quartile. This has increased since the previous assessment.

To address this, the NHS Trust have reviewed their policy and are relaunching this with HR support to clinical teams, as well as implementing a Health and Wellbeing compact for community teams and the remaining elements of their People Management Toolkit during early 2020. This NHS Trust should ensure there is a continuing focus on sickness absence management with board oversight of progress.

- This NHS trust has secured external capital funding for a replacement e-roster system and plans to implement this over the next 18 months. It currently relies upon a system with limited functionality and manual records for scoring of patient acuity and dependency.

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

- The overall cost per test across all disciplines at the trust benchmarks well (lowest quartile) against the national median at £1.38 against £1.86.
- The main stay of reducing agency costs within Pathology is to backfill with the trust's own consultants.
- The Trust have made very slow progress towards their local Pathology network. Work to reduce costs of pathology analysers by networking with another local Trust were not completed, so the expected savings have not been made and plans are being reconsidered.
- The trust currently has one WTE advance practitioner reporting radiographer and a number of advance practitioner sonographers. Recruitment is a challenge for the trust, but the overseas recruitment programme has been a success and helped to stabilise the service. The trust has an imaging managed service contract for their equipment, which has enabled access to equipment, that it may not have otherwise accessed, given its capital constraints.
- The imaging cost per report is high in comparison to the national average at £85.77 against £56.29.
- DNA rates in imaging services were high at 5.5% for MRI compared to a national median of 4.2% and 7.1% for Non-obstetric ultrasound compared to a national median of 6%. The trust has implemented a new text reminder process which they hope will reduce this figure (as it has in other areas).
- Due to only having one MRI machine until recently the Trust were outsourcing MRI scanning, but a new MRI scanner has been purchased and is expected to reduce this. The Trust strive to minimise outsourcing by their own consultants undertaking wait list initiatives to maintain activity in house, and the afore mentioned reporting radiographers. Their imaging strategy also includes proposals to utilise other professionals to undertake some of the work currently undertaken by medical staff
- The trust is willing to work towards being part of an imaging network, to support the national strategy for imaging services.
- The trusts medicines cost per WAU is relatively high when compared nationally at £400 against national median of £369. As part of the Top Ten Medicines programme the switch from higher cost drugs / biosimilars compares well to the national benchmark value (£1.05 million versus £680,160) but there is still further savings to be made. The trust has recognised this and employed a 'high cost drugs pharmacist' to support the initiative.
- The trust expects to save approximately £12,000 per month from its newly implemented vial sharing product but evidence for this is at an early stage. There are approximately £4,000 per month savings demonstrated through return of medicines at ward level.
- The trust reports an innovative way of expediting discharge medication to enhance discharge planning with pre populated discharge summarises. Weekend services have extended from a half day service offer 10:00 to 13:00 to a full day service 09:00 – 17:00. The emergency floor has both dispensary and clinical support.
- The Trust are currently working to implement E-prescribing in the Autumn. However, they have already implemented electronic patient records for the community services, digital hospital at night, telemedicine in stroke and cloud-based thrombolysis support also in stroke.

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 NHS trust had an overall non-pay cost per WAU of £1,363 compared with a national median of £1,307. The 2016/17 figures placed the NHS Trust at £1,424 per WAU compared to a national median of £1,301. Although this place the Trust in the 3rd highest quartile nationally, it demonstrates significant improvement.
- Since the last assessment the cost of the procurement function has remained in the lowest 25% nationally and the team performs well in savings delivery. There is a detailed procurement cost improvement plan in place and a full review was carried out by the NHS England and Improvement Regional Head of Procurement in September 2018.

- In 2016/17 the NHS trust had the second lowest Procurement Process Efficiency and Price Performance Score of 11.6, which placed it in the lowest (worst) quartile nationally. At this assessment the data for Q4 2018/19 places it at 0 which is the worst performing position. It should be noted that in quarter 4 2018/19 there was an issue with data submissions to model hospital whereby, the data has been submitted but was not reflected in the latest figures. This will be rectified corrected during the next submission.
- The cost of running the human resources department, relative to turnover, has increased slightly from £1.15m in 2017/18 to £1.19m in 2018/19 per £100 million turnover compared to a national median of £1.09 million. There has been investment into the department as the NHS trust believe it was under resourced. In addition, the department has absorbed additional workload associated with the international recruitment programme they have in place.
- The cost of running the finance department relative to turnover has increased from £699,084 per £100 million turnover in 2017/18 to £848,220 in 2018/19 compared to a national median of £653,290. The NHS trust cited a reduction income as a contributory factor to the increase in cost (relative to turnover) of both Finance and HR function, however has not provided supporting evidence of this
- At £394 per square metre in 2018/19, the NHS trust's estates and facilities costs are above the national benchmark of £354 per square metre. However, this is a significant improvement against the figures for 2017/18 which were £512 per square metre compared to a national benchmark of £328 per square metre.
- There has been a significant improvement in the overall cost of Soft Facilities Management which has reduced from £145 in 2016/17 (£ per m2) to £103 in 2017/18 and £102 in 2018/19. The NHS trust has recently retendered the community catering and cleaning services which has produced financial and patient benefits.
- The NHS trust's total backlog maintenance has stayed constant at £339 per m2 between 2017/18 and 2018/19. These figures place the NHS trust in the third highest quartile nationally. The backlog figure relates only to the retained estate and excludes the main hospital site which is maintained by the PFI provider. The NHS trust continues to seek opportunities to make improvements within the retained estate and a recent capital award will remove most of the backlog costs associated with it.
- The NHS trust is working collaboratively with partners and has established a "One Public Estate" strategy and is working with the local authority to assess the feasibility of multiple occupation buildings with fire, police, local authority and the NHS.

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

- The NHS trust has a track record of not delivering its financial plans and reporting a significantly deteriorating position in previous years. However, at the time of the assessment the NHS trust was achieving its year to date plan and forecasting delivery of the control total.
- The NHS trust did not achieve its control total in 2018/19 with a deficit of £43.6 million against a control total of a deficit of £27.2m. The deficit represents 22.4% of the NHS trust's turnover (£194.5m). However, the NHS trust achieved 100% of its planned £10m (4.5% of expenditure) cost improvement plan (CIP) for 2018/19. The highest level of efficiency savings in the NHS trust's history. Of this, £7.7 million (77%) was delivered recurrently.
- For 2019/20, the NHS trust has agreed a control total of £36.7 million deficit. The NHS trust CIP is £6 million (2.6% of expenditure). As at month 8 the Trust is on track to achieve this financial position and CIP, although some of this will be non-recurrent. If it achieves this the deficit would represent 16% of the Trusts turnover (£225.3m). However, the Trust does not have clear strategy for reducing this in the medium term.
- The NHS trust has a reliance on working capital loans from the DHSC in order to pay ongoing running costs. The NHS trust produces a detailed daily cashflow for the next 12 months to ensure the best possible use of cash resources. This requires considerable effort and expertise to avoid running into a negative cash balance position. At the end of 2017/18 the total revenue loans outstanding were £86.2 million this had increased to £129.8m at the end of 2018/19. The increased reliance on cash support over the last 12 months is due to a combination of operational cost pressures, agency usage and the use of private sector care to meet required waiting times.
- The NHS trust is in an unusual position in that the internally generated money it has to spend on capital is already over committed at the start of the year. This is due to repayments on existing capital loans and on the PFI liability. This has left the NHS trust reliant on further capital loans to fund its essential capital expenditure. At the end of 2018/19 the capital loans outstanding totalled £18.4 million, excluding PFI repayment liabilities of £45.2 million. This is at a time when the NHS trust needs to make significant investments in its infrastructure. Based on the latest projections, it is estimated that capital loan repayments will increase from £2.1 million in 2018/19 to £9.9 million in 2023/24.

- The NHS trust has had a block income contract in both 2017/18 and 2018/19, with its main commissioners. For 2019/20 the Trust successfully rebased community service prices and negotiated a return to national tariff of a number of acute based services, increasing the anticipated income level of the NHS trust.
- The NHS trust makes use of Service Line Reporting as part of planning and business case development alongside a suite of other information including model hospital. The NHS trust also makes use of Patient Level Information and Costing (PLICs) such as is in the pathway review work in respect of both Ophthalmology and Dermatology services as well as other business case and service reviews.
- Historically, the NHS trust has made low usage of management consultants. In 2018/19 total spend on management consultants was £60,000.

Areas for improvement

- This NHS trust should ensure there is a continuing focus on sickness absence management with board oversight of progress.
- The NHS trust should work at pace to progress the Pathology network arrangements.
- The NHS trust should also scope further opportunities to secure benefits of scale in other support services, through collaboration with partners
- The NHS trust is reporting an improved financial position this year, however, this is supported by non- recurrent benefits. The NHS trust should develop a plan to return to financial balance in the medium term.
- The NHS Trust undertake further work to clearly quantify costs for their commissioned musculoskeletal physiotherapy services to primary care.
- The NHS trust should progress implementation of workforce deployment software (e-rostering) to enable optimisation of its substantive workforce.
- The NHS trust should continue working to reduce the significant spend on agency staffing.

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 →← Oct 2018	Requires improvement →← Oct 2018	Good →← Oct 2018	Requires improvement →← Oct 2018	Requires improvement →← Oct 2018	Requires improvement ↑ Oct 2018

Overall quality

Requires improvement →← Oct 2018

Combined quality and use of resources

Requires improvement →← Oct 2018

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.