West Hertfordshire Hospitals NHS Trust

Use of Resources assessment report

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

Ratings

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

Are resources used productively?	Requires improvement

Combined rating for quality and use of resources	Requires improvement

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

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

- The overall cost per WAU for 17/18 was £3,546 which is slightly higher than the national average of £3,500. At the time of the last assessment the cost per WAU was £3,484 and was lower than average. This represents a very small deterioration on this metric.
- The trust's clinical services are being delivered mostly productively with improvements in areas such as discharging patients in a timely fashion and ensuring care plans in place on admission, as well as innovative practices such as early morning bloods rounds.
- The Trust is on a journey of improvement and has rightly prioritised patient facing elements such as recruitment and retention, staff care such as accommodation for overseas recruits and innovative approaches to doctors training such as using overseas trained UK junior doctors on the Physicians Associates pathway.
- Higher costs in back office functions are as a result of agreed investment in clinically necessary areas such as frontline recruitment and pastoral care of overseas joiners. The finance function is high cost but the offset of this is that more of the savings the Trust is making are transformational and therefore more sustainable and long lasting.

The trust was rated requires improvement for use of resources. Full details of the assessment can be found on the following pages.

NHS Trust

Use of Resources assessment report

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Date of inspection visit: 11 Feb to 12 Mar 2020
Date of publication: 17/06/2020

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

Proposed rating for this trust?	Requires improvement

How we carried out this assessment

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

We visited the trust on 26th February 2020 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 able to demonstrate that it is making the best use of its resources to enable it to provide high quality, efficient and sustainable care for patients

however the trajectory for the Trust is much improved from the prior inspection and the inspectors identified a number of areas of good practice. It also noted that a number of issues impacting on the Trust related to its estates and ICT infrastructure for which it has plans in place to address but had not been fully implemented when the assessment was undertaken.

- The overall cost per WAU for 17/18 was £3,546 which is slightly higher than the national average of £3,500. At the time of the last assessment the cost per WAU was £3,484 and was lower than average. This represents a very small deterioration on this metric.
- The trust's clinical services are being delivered mostly productively with improvements in areas such as discharging patients in a timely fashion and ensuring care plans in place on admission, as well as innovative practices such as early morning bloods rounds.
- The Trust is on a journey of improvement and has rightly prioritised patient facing elements such as recruitment and retention, staff care such as accommodation for overseas recruits and innovative approaches to doctors training such as using overseas trained UK junior doctors on the Physicians Associates pathway.
- Higher costs in back office functions are as a result of agreed investment in clinically necessary areas such as frontline recruitment and pastoral care of overseas joiners. The finance function is high cost but the offset of this is that more of the savings the Trust is making are transformational and therefore more sustainable and long lasting.

It was noted that in respect of the Trust's current position:

- The Trust agreed its control total for 2019/20 for a deficit plan of £22.7m including PSF and FRF and at the time of the assessment is delivering in line with plan.
- For 2019/20, the Trust is aiming to deliver efficiencies of £15m
- The Trust has a historical deficit position and as a result is reliant on capital loans and required an emergency capital loan of £4.6m in 2019/20
- The Trust also has historical issues with other back office functions such as Estates and IT. Although there are plans in place to address these issues, they were not sufficiently mature or transacted to have a material effect at the time of the assessment.

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

The NHS trust has demonstrated that its clinical services are being delivered productively for the benefit of patients. It has proactively delivered several programmes that has resulted in improvements to its clinical services and it continues to perform better than the national average on some key measures of clinical services.

- At the time of the assessment in February 2020, the NHS trust was meeting the standard for diagnostic waiting times. 99.04% of patients needing a diagnostic test were offered one within six weeks of referral. The national benchmark is 99%. With cancer 62 day waits - the national target is 90% of patients are seen within 62 days. The NHS trust recorded 100.00%.
- The NHS trust was better than average but not meeting the constitutional operational performance standards around:

- A&E four-hour waits - at the time of the assessment there were no NHS trusts in the country meeting the constitutional standards for A&E four-hour waits. The NHS trust recorded 81.69% compared to a 95% benchmark for England in January 2020.
- Referral to Treatment (RTT) – the national target is 93% of patients waiting less than 18 weeks. The NHS trust recorded 87.41% (third, best quartile) in December 2019.
- On pre-procedure elective bed days, at 0.12, the NHS trust is performing in quartile 2 (second best) when compared nationally – the national median is 0.12 (Q2, 2019/20).
- On pre-procedure non-elective bed days, at 0.47, the NHS trust is performing above the national median of 0.65 (Q2, 2019/20).

- The NHS trust has led several clinical service efficiencies across a range of services. A newly developed pathway in diabetes in conjunction with partnership organisations has implemented a streamlined referral process, improved education, reduced waiting times and developed an outcomes dashboard to generate savings of over £200,000 in 2018/19.

- The NHS trust has recently introduced a programme of 'SMART' (Senior Medics Assessment, Review and Treatment) supported by the investment of 3WTE medical consultants. This initiative ensures that all patients have an early assessment within the emergency department by a senior medic. Despite increased attendances there has been a reduction in admission rates, less requirement for surge beds and less dependence on temporary staffing since the introduction of this initiative.
- The NHS trust has not met the 40% ambition set by NHS Improvement in March 2018 to reduce the number of long length of stay patients. The NHS trust has reduced the weekly average number of patients from the baseline in March 2018 of 130, to 95 as of February 2020. This is a reduction of 25% compared to the East of England regional average of 10%.
- At quarter 2 2019/2020 the NHS trust's emergency readmission rates of 9.27% is slightly below the national median of 9.32% and has increased from the last assessment when it was 6.8 %. 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.
- The Did Not Attend (DNA) rate for the NHS trust is 7.69% and above the national median of 7.13% (Quarter 2 2019/2020) and has been maintained at this level since the last assessment. It was a recommendation at the last assessment that further work was required in this area, but this has yet to come to fruition. The NHS trust have plans to introduce two-way texting and a 'reschedule request e-form'. This should remain a focus for the NHS trust going forwards.
- The NHS trust continues to actively engage with the national 'Getting it right first time' (GIRFT) programme across a range of services that are monitored by a trust wide steering group. Since the last assessment the NHS trust has made significant progress towards achieving cemented prostheses in orthopaedics. The NHS trust have a number of incomplete actions across different specialities. A new governance process is in place to improve oversight of GIRFT but the results of this are yet to be seen.

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

The Pay cost per WAU is £2,288 for 17/18 which is third highest/worst quartile in the country compared to £2,175 for 16/17 where is was also third highest/worst quartile. Therefore, this metric has not moved since the last assessment.

- Medical staff cost per WAU has increased in 17/18 to £568 from £535 in 16/17, although this is an increase the cost remains in the same quartile [second worst] for both periods.
- Nursing cost per WAU has increased to £682 [second best quartile] in 17/18 up from £651 in 16/17 [best quartile]. The Trust believes these increases are due to demand management as well as the ongoing estates layout issues which means wards have lower bed numbers but requiring higher staff to patient ratios.
- The AHP cost per WAU has increased slightly from £84 in 16/17 to £93 in 17/18 but the quartile remains constant for both periods [second lowest].
- Staff sickness rate in Nov 19 was 3.92%. The trust sickness target is 3.5% which they met in 2018 (March 18 - 2.86%) and up to September 2019. Since October 2019 the trust sickness rate has been above the trust target of 3.5%. There has also been a steady increase in the number of active sickness reviews the trust has ongoing with 579 active in December 2019. The trust has informed us that they have a robust sickness management process and that not all these cases are under active management but that some are kept open to ensure process compliance.
- Staff retention has improved from 81.4% in March 18 to 81.8% in December 18, however this is still lower than the peer and national rates of 84.3% and 85.6% respectively. The trust is working on initiatives to increase the retention rate for example, the preceptorship programme for newly qualified staff.
- The trust has a high corporate HR cost of £1,813.2k per £100m turnover in comparison to the national average of £1087.5k. This is driven by the trusts training and staff accommodation budgets being relocated to HR as well as the trust seeing significant benefits and improvements. These are successful overseas nurse recruitment; full recruitment to Band 5 nursing posts; well evaluated preceptorship programme showing high retention levels; participating in a pilot recruiting Bulgarian doctors and a competitive time to hire of 36.9 days compared to the regional average of 41.7 days.
- At the last assessment in 2019, it was highlighted that the layout of the estate had an adverse impact on workforce productivity as wards had a relatively low number of beds, but the requirements of safe staffing resulted in higher staffing ratios to patient ratios. The continued estate constraints mean that the trust have over 50% of the core beds are on wards with 20 beds or fewer which continues to have a significant impact on efficient staffing.

- The trust has successfully recruited to all band 5 general nursing vacancies. To support this section of the workforce, the trust has imbedded a comprehensive and well evaluated preceptorship programme for newly qualified band 5 nurses and midwives. The success of this programme has culminated in retention rates of over 80% in the cohorts of staff completing the programme.
- The trust have participated in significant international recruitment of nurses. These nurses join the trust at band 3 and have a transitional nurse programme that supports their preparation for the OSCE exams prior to joining the NMC register. The trust have had a 100% success rate in these nurses passing the OCSE and obtaining NMC registration. The nurses are taking between 55 and 70 days to pass the exam, at which point they join the trust as band 5 nurses and then participate in the preceptorship programme to further support their development.
- The trust continues to participate in the Bedfordshire and Hertfordshire agency collaboration which continues to ensure the sharing of pay rates and procurement across the system. The trust uses NHS Professionals for their bank staffing management across the STP. This has continued to reduce the agency spend significantly from £26,501m in 2016/17 to £18,455m in 2017/18 with a shift to increased bank use for nurses but a significant rise in bank for medical staff.
- The trust is working with the other STP trusts to develop a consistent approach for Nursing Associates and apprenticeships. This work is still being developed and so final outcomes are not- available yet.
- The trust has over 400 volunteers that support staff and services in 40 different roles across clinical, non-clinical and admin areas in all three sites.
- The trust informed us that the Band 7 ward managers were 100% supervisory, however the latest evidence shows that over 20% of supervisory time has been lost since August 2019.
- The Safeguarding team have worked in partnership with specialist police teams on covert operations to protect and support women who have been trafficked into the sex industry. The clinical nurse specialist led on developing this innovative work providing healthcare and support to this very hard to access group of women which culminated in her being awarded the Nursing Times Nurse of the Year Award in October 2019.
- The trust is using the Gateway model to recruit doctors trained in Bulgaria with full GMC licence to get the clinical supervision and training that is on par with the HEE rotation. The doctors will undergo 2 years of rotation programme.
- The most recent data that the Trust provided to the Model Hospital for Consultant job planning was for the period 17/18 when 53.4% of Consultants and senior doctors had a job plan.
- E-rostering is used to support effective deployment of its nursing, midwifery and radiographer workforce. The trust have introduced medirota for the medical rotas and have started to introduce team job plans rather than individual. The trust should look at completing the implementation of medirota in the remaining areas as soon as possible and continue to roll out the team job plans with pace.

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

The Trust has demonstrated that it has implemented some innovative practices in clinical support services. However there remain significant opportunities to build upon these and in some respects the pace of change has been slow and plans appear unambitious.

Pathology

- Overall cost per test at this year's assessment for Q2 19/20 was £0.83, at the time of the last assessment in Q4 18/19 the cost per test £0.84. These figures are best quartile and for the most recent figures they are the best in the country.
- However, Pathology services are fragmented, and a strategic solution being explored to address this. The tender process has commenced and will conclude later in 2020. Data quality is a concern, so it is not clear if these costs are reliable figures.
- The Trust has implemented 7.30 am blood rounds that are prioritised in line with the Emergency Department in order to expedite discharge for the medically fit patients.
- The Trust currently has limited systems of addressing demand management by clinicians due to electronics and this will be an integral part of the new contract. However, activity reports were being produced for divisions and discussions were taking place.

Imaging

- Agency, Bank and Overtime costs are 10.5% of overall Imaging costs which is highest/worst quartile where the national average is 6.1%. This figure is for period ending March 2019.

- The Trust is bearing higher agency costs relating to requirements for additional scanning capacity. The trust told us that there are active discussions underway with partners to agree long term staffing requirements and recruit substantively to those posts to reduce temporary staff costs. The Trust currently has three reporting radiographers for plain X-rays.
- DNA rates are very well managed with modalities in the best or second-best quartile nationally. Notably Non-Obstetric Ultrasound reports 0% DNA rate.
- The Trust has achieved low DNA rates based on booking of convenient evening and weekend appointments for patients. Assets such as scanners have also been relocated to optimise patient flow, one example of this is the scanner moved to the emergency department.

Pharmacy

- Performance on Top 10 Meds saving is good with £2.23M saved to Dec 2019, this is on top of the £1.66M to March 2018.
- Days of Pharmacy stockholding are fourth/worst quartile with 33 days of current stock being valued at £1M against a national average of 20 days. The Trust has future plans to address with a second robot but at the time of the assessment this was not in place. Once implemented this will also enhance pharmacist time spent on clinical activity which currently sits at 71% for Pharmacists compared to a national average of 77% and 22% for Technicians compared to a national average of 42%; both 18/19 figures.
- The Trust has implemented one Omnicell robotic drugs cabinet on one ward. This feeds into the ordering of medicines and monitors stock levels however does not represent an ambitious plan in this respect.

Use of Technology

- The Trust has struggled with applications of IT and Technology in recent years due to an outsourced contract. However, it has made considerable efforts within the realms of what is possible.
- One example of this is the expansion of virtual clinics conducted by Consultants. In particular the teledermatology service is receiving positive patient feedback with 63% of patients receiving management plan without a face to face consultation.

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

The Trust has demonstrated that although costs of Corporate back office functions are high, the value for money element is robust and return on investment can be clearly demonstrated. The constraints of the Estates issues are clear, and the Trust has a plan to mitigate risks in the short term. What is less clear are what the benefits are to the Trust of participating in the Shared Procurement service.

Corporate services

- For 18/19 the Finance cost per £100M was highest/worst quartile at £1.01M compared to a national median of £653K. This is a higher cost than for 17/18 which was £938k per £100m. The Trust have been working in partnership with another local Trust to use standardised patient pathways in order to evaluate the cost basis. Although the cost of the Finance function is highest quartile the Trust have seen benefits in terms of a much higher proportion of recurrent Cost Improvement Plans.
- For 18/19 the HR cost per £100M was highest/worst quartile at £1.81M compared to a national median of £910,730. This is a higher cost than for 17/18 which was £1.73M per £100m. However, for the additional costs the Trust receive a very high standard of service. The Trust told us that they had made a deliberate additional investment made into HR to support overseas recruitment. The Trust has consolidated all training budgets into HR so that all training needs can be considered as a whole by the organisation. Staff accommodation is being managed by HR to facilitate access to accommodation to support recruitment, which in turn affects the benchmarked costs. The HR function also manages shared bank contracts with local trusts.
- For 18/19 the IMT cost per £100M was highest/worst quartile at £3.46M compared to a national median of £2.52M. This is a slightly higher cost than for 17/18 which was £3.39M per £100m. The IMT service is supplies via a new contract which was transitioned in October 2019. This addresses the LAN issues and upgrades servers. The aim for further software upgrades is now the most immediate priority along with an outline business case for an electronic patient record.

Estates and Facilities

- The Estates and Facilities cost per m2 for 18/19 was £362, this is a higher cost than for 17/18 when it was £291 however it is second best quartile nationally against a national median of £377 per m2. The Trust has a current backlog maintenance value of £68.63m which is highest/worst quartile against a national median of £21.03M.
- The Trust has had confirmed investment to address this backlog maintenance level and is expecting to complete the Outline Business Case within 8 months with construction planned to start within 2-3 years. The Trust has an interim Estates strategy plan that details and mitigates risks as much as possible for this interim period.

Procurement

- The Procurement League Table position for the Trust was 122 for Q2 19/20 which is worst quartile. This represents a deterioration on the position at the last assessment for Q4 17/18 where the position was 25.
- The Procurement department is a shared service with a number of local partners. The service had not operated as a true shared service in the past but under new leadership there have been improvements to this. These include a shared catalogue that interfaces with the Trust ledger.
- The cost of the Procurement team is also being addressed and is expected to have reduced in the next data submission.

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

The Trust delivered an outturn of a £49.6m deficit (excluding PSF) in 2018/19 against a planned deficit of £52.9m (excluding PSF). Although the Trust was able to deliver an improvement against its plan, it had not been able to sign up to the control total deficit of £22.9m. The Trust has agreed its control total for 2019/20 and is reporting in line with this plan at January 2020 (month 10). The forecast outturn is delivery of plan.

- For 2018/19 the Trust was not able to sign up to its control total deficit of £22.9m (excluding PSF) and submitted a final plan for a deficit of £52.9m (excluding PSF) £7.9m (including PSF). This represented 16% of turnover. The Trust was able to deliver a final outturn of a £49.6m deficit (excluding PSF) which represented 15% of turnover.
- The Trust has agreed its control total for 2019/20 for a deficit plan of £50.5m (excluding PSF/FRF/MRET) - **£22.7m including PSF/FRF/MRET**. As at January 2020 (month 10), YTD position was a deficit of £42.3m **(£20.7m including PSF/FRF/MRET)** which is in line with the plan
- The Trust commissioned a review of the drivers of its deficit which was completed by KPMG. The outcome of this review aligned to the Trust's understanding and identified the main drivers as operational factors, strategic/system issues and infrastructure (estates and IT). The report highlighted a number of actions that the Trust is undertaking to address these issues.
- The Trust has seen a real change in the level of financial engagement from divisions. A monthly divisional financial performance review has been put in place to enhance its budgetary control and to support the delivery of the financial plan. These meetings are executive led and a formal escalation is in place where required. Example packs have been provided by the Trust and these show detailed analysis of divisional performance as described by the Executive.
- In 2018/19 the Trust delivered savings of £16.1m against its £15.9m CIP target (4% of operating expenditure). Although the Trust was able to deliver its savings in full, 38% of the balance was non-recurrent, placing additional pressure onto the 19/20 financial plan.
- For 2019/20, the Trust is aiming to deliver efficiencies of £16.2m (4% of operating expenditure) and, as at January 2020 (month 10), the Trust was reporting savings of £12.6m against a YTD plan of £11.8m. The forecast outrun is for savings of £15.3m with 16% being non-recurrent, a significant improvement on the 2018/19 position. This improvement is supported by the enhanced financial governance noted above which includes detailed reviews around savings plans. The Trust has also entered into a Minimum Income Contract with commissioners which has helped to provide further focus on the importance of driving cost out.
- Due to its historical deficit position, the Trust is not able to meet its financial obligations or maintain its positive cash balance without additional cash support. The cumulative working capital/revenue support loans balance at January 2020 (month 10) was reported as £205.8m. The Trust is also reliant on capital loans and required an emergency capital loan of £4.6m in 2019/20.
- Whilst the Trust has historically explored opportunities to maximise clinical income where possible. In the current year it has moved to agree a Minimum Income Contract with commissioners which has secured income levels and supported an increased focus on costs across the organisation.

- The Trust has seen an increase in spend on management consultancy from £1.1m in 2018/19 up to £1.8m YTD at January 2019 (month 10). The main driver of this has been the KPMG work on the drivers of the deficit. The Trust is not reliant on advice from external advisors or consultants, but it does consider their use where there is a clearly defined benefit to the Trust.

The Trust continues to make use of costing data and service line reporting to support business decisions and identify productivity opportunities. Cost, income and net profitability information is shared by service line to each clinical division and is used to identify areas of focus. A number of examples were provided of detailed analysis that had been undertaken, including the current example of Geriatric Medicine where significant work is currently underway to improve performance.

Outstanding practice

- The Trust's SMART Programme has positively affected bed management in terms of reduced admissions and reduced need for surge beds despite increased ED presentations.
- Safeguarding Teams work with patients who had been trafficked that was recognised and rewarded with the Nursing Times Nurse of the year in October 2019.
- The trust has over 400 volunteers deployed across the trust.

Areas for improvement

- The trust should look at completing the implementation of medirota in the remaining areas as soon as possible and continue to roll out the team job plans with pace.
- Review Band 7 supervisory time and whether 100% is required or achievable. The Trust should consider if the target needs to be revised or steps put in place to ensure that 100% is achieved.
- Several of the Trust's Procurement metrics have deteriorated since the last assessment. The Trust should investigate why this is.
- The Trust should move ahead on Pharmacy transformation plans without delay.

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

Safe	Effective	Caring	Responsive
Requires improvement →← Jun 2020	Good Jun 2020	Good →← Jun 2020	Requires improvement →← Jun 2020

Trust level

Well-led	Use of Resources
Good Jun 2020	Requires improvement →← Jun 2020

Overall quality

Requires improvement →← Jun 2020

Combined quality and use of resources

Requires improvement →← Jun 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.