James Paget University Hospitals NHS Foundation Trust

Use of Resources assessment report

Lowestoft Road
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Date of publication: 18/12/2019

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?	Good
Are services responsive?	Outstanding
Are services well-led?	Good

Our overall quality rating combines our five NHS trust-level quality ratings of safe, effective, caring, responsive and well-led. These ratings are based on what we found when we inspected, and other information available to us. You can find information about these ratings in our inspection report for this NHS trust and in the related evidence appendix. (See www.cqc.org.uk/provider/RGP/reports)

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 NHS trust taking into account the quality of services as well as the NHS trust's productivity and sustainability. This rating combines our five NHS 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 NHS trusts for their Use of Resources assessments.

The aim of the assessment is to improve understanding of how productively NHS trusts are using their resources to provide high quality and sustainable care for patients. The assessment includes an analysis of NHS 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 NHS trust.

Combined rating for Quality and Use of Resources

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

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

- We rated safe as requires improvement, effective, caring and well led as good and responsive as outstanding.
- We took into account the current ratings of the two core services that we did not inspect this time.
- We rated the five core services across the trust we inspected as good.
- The trust was rated as good for its use of resources.

NHS Trust

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Date of inspection visit: 3 Sep to 2 Oct 2019
Date of publication: 18/12/2019

This report describes NHS Improvement's assessment of how effectively this NHS trust uses its resources. It is based on a combination of data on the NHS 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 NHS trust's leadership team.

The Use of Resources rating for this NHS trust is published by CQC alongside its other NHS trust-level ratings. All six NHS trust-level ratings for the NHS trust's key questions (safe, effective, caring, responsive, well-led, use of resources) are aggregated to yield the NHS trust's combined rating. A summary of the Use of Resources report is also included in CQC's inspection report for this NHS trust.

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 NHS trust's performance against a set of initial metrics alongside local intelligence from NHS Improvement's day-to-day interactions with the NHS trust, and the NHS 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 .

We visited the NHS trust on 17th September 2019 and met the NHS trust's executive team (including the chief executive), the chair and 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 the use of resources at this NHS trust as Good because the NHS trust has improved its financial position and has also demonstrated achieving further workforce and service productivity improvements, since the last assessment.

- The NHS foundation trust has reduced its deficit and it has not required any cash support in this financial year. For 2018/19, the NHS foundation trust reported achievement of the control total excluding PSF (£10.4 million deficit), and a position better than the control total with PSF (£5.5 million deficit, 2.7% of turnover), which was also an improvement against the previous year, as a percentage of turnover (4.35%).
- For 2019/20, the NHS foundation trust has a control total and plan of £6.4 million deficit (2.93% of turnover) before PSF, FRF and MRET, and £1.9 million surplus with additional funding (0.86% of turnover). At the time of the assessment, the NHS foundation trust was reporting achievement of the year to date plan and forecasting delivery of the full year plan.
- The NHS foundation trust has not required external cash support in 2019/20, to meet its financial obligations. This has been achieved through negotiating better payments terms with commissioners. The NHS foundation trust has also reduced reliance on non-recurrent CIP initiatives from 90.3% in 2017/18 to 55.9% in 2019/20.
- The NHS foundation trust has maintained performance where it compared well in the previous assessment, for instance 30-day emergency readmissions and Delayed Transfers of Care (DTOCs). The NHS foundation trust also provided evidence to demonstrate further clinical service productivity improvements achieved, for instance; reduction in the time to theatre for non-elective orthopaedics patients, reductions in the overall average length of stay for non-elective admissions, and improvements in utilisation of theatre facilites.
- The NHS foundation trust continues to achieve the 6-week Diagnostic wait target, and performance against the 4-hour Accident and Emergency (A&E) standard though below national target, remains better than most other NHS trusts, and has improved in recent months.
- Other clinical services improvements made since the last assessment, include introduction of Frailty screening in the ambulatory care unit to support early intervention and same day discharge for this cohort of patients. The NHS foundation trust also highlighted beneifts realised from implementing GIRFT recommendations, for instance increased day case rates in ENT, and reduced negative appendectomies for both adults and children. The NHS foundation trust's performance for the latter is better than most trusts nationally.
- Workforce productivity metrics such as sickness absence rates have improved and the transfer of electronic job plans to an electronic platform, is nearing completion. The NHS foundation trust expects this will support future demand and capacity planning. Staff retention rates remain in the best performing quartile.
- The NHS foundation trust has invested in additional pharmacy capacity to increase pharmacy presence on wards and on weekends, and expects this will improve flow. Pathology services costs remain lower than most trusts, with further work planned to introduce electronic requesting systems.
- The NHS foundation trust achieved a reduction in its maintenance backlog and critical infrastructure risk, through planned maintenance works which were informed by a maintenance survey.

However

- Overall expenditure on agency staffing for 2018/19 was above the agency ceiling, and at 5.95% of the total pay bill, was also slightly higher than the previous year (5.31%).
- Outsourcing and agency costs in imaging services remain high, although the NHS foundation trust is working to bring this down through expanding its non-medical reporting capacity.
- Performance against better payment practice code remains below target and national average. As at July 2019, the valid invoices paid within 30 days were 33.3% by number and 55.6% by value. The target is 95% for both.
- The Outpatients DNA rate at 7.94% is slightly above the national median of 7.14%, which is mainly due to DNAs in Paediatrics specialties (reported at 13.1% in August 2019).

- The NHS foundation trust has a Procurement Process Efficiency and Price Performance Score of 62 (scale 0- 100) for period January to March 2019, which suggests that there remains scope to further improve the operation efficiency of procurement processes to achieve best prices.

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

The NHS foundation trust has maintained performance where it compared better than other trusts in the last assessment, for instance 30 day emergency readmissions and DTOCs, and it has demonstrated achieving productivity improvements from implementing GIRFT recommendations. The NHS foundation trust introduced Frailty screening in its emergency services to support reduction in long length of stay, and it has demonstrated a reduction in average length of stay, compared to previous years as a result of its ongoing Length of stay improvement initiatives.

- At the time of assessment in September 2019, latest available data showed the NHS foundation trust was meeting the constitutional operational performance standards for cancer 62-day wait-NHS screening services referral and diagnostic 6-week wait. The NHS foundation trust was not meeting the Accident and Emergency (A&E) 4-hour wait standards, the Cancer 62-day urgent referral from GP, and the 18-week Referral to Treatment (RTT) performance. However, its (A&E) 4-hour wait performance was better than national median an improvement from previous months.
- The NHS foundation trust also provided evidence to show it previously met the 4-hour A&E target for minor emergencies and explained that this deteriorated in recent months is due to increased levels of demand.
- The NHS foundation trust has initiatives to address rising demand for emergency care, including the ambulatory care unit, where it has introduced frailty screening services to support prompter intervention for this cohort of patients. However, the NHS foundation trust has struggled to establish GP streaming services in the Emergency Department (ED) and is looking to partner with an established social enterprise primary care provider. The NHS foundation trust also cited the estate layout in ED as a key constraint to making patient streaming improvements
- The Delayed Transfers of Care (DTOC) rate at 2.8% in August 2018 remains below the national average of 3.5%. However, performance against the Long Length of stay reduction (LLOS) target is off trajectory with only a 1% reduction in its LLoS achieved so far (in respect to reducing the weekly average of occupied bed days by adult patients in an acute hospital for 21 days or more). The NHS trust has as of October 19, reduced LLoS beds by 2 against an ambition of 20 beds, resulting in 18 beds still to be reduced by March 2020
- The NHS foundation trust expects the frailty screening at the front door to support further reductions in Long length of stay, as patients are being treated and discharged on the same day. Other initiatives included the established integrated discharge hub, which has both social care and health staff working together to achieve prompter discharges, and increased pharmacist presence on wards to support preparation of discharge medicines. The NHS foundation trust is exploring development of Discharge to Assess pathways through pilot, with social care services
- At 4.32% 30-day emergency readmissions rates remain below (better than) the national median of 5.36% and in the best quartile nationally (July to September 2019). Readmissions are monitored regularly through clinical audits and the NHS foundation trust has invested in end of life care programmes to reduce the impact on readmissions in the last year. This was funded through charitable funds.
- Although pre-procedure elective bed days for period July to September 2019, are at 0.2, they are still showing as above the national median and in the worst quartile, the NHS foundation trust attributes this position to activity capture errors and has provided evidence to show that more than 99% of elective patients are admitted on the day of surgery. Pre-procedure non-elective bed days at 0.63 are slightly above the national median of 0.62 for the same period. The NHS foundation trust provided evidence to show improvement in time to theatre for orthopaedic emergencies (which tend be the main contributors to non-elective pre-procedure bed days), and an overall reduction in the average length of stay for non-electives, when compared to previous years.
- The Outpatients DNA rate at 7.94% is slightly above the national median of 7.14%. Evidence provided by the NHS foundation trust shows that this is driven by DNAs in Paediatrics specialties which were reported at 13.1% in August 2019, compared non-paediatric specialties at 5.3%. The NHS foundation trust is undertaking a two-year Outpatient transformation programme, which will help improve utilisation of slots through partnership working with GPs and more effective communication strategies with patients. It was too early to assess the benefits of this programme.
- The NHS foundation trust also has a theatre transformation programme and provided evidence to demonstrate improvements achieved, including increase in patients per theatre list, and reduced short notice cancellations.
- The Trust has continued to be actively involved with the Getting it Right First Time (GIRFT) Programme, implementing key GIRFT priorities. Governance is in place to review progress against plans submitted to GIRFT, and the Trust's Safety, Quality and Governance Committee receives updates in the bi-monthly meetings.

- Improvements made as a result of implementing GIRFT recommendations include; a reduction in negative Paediatric Appendectomy rates from 26.6% in 2013/14 to 4.35% in 2018/19 which is below the recommended 5%, and lower than other NHS trusts in the region (average 10.80%) and nationally (average 14.21%). The Trust has also achieved a low negative appendectomy rate for adults, which is also the lowest in the region at 5.37%. This has been achieved through a new Quality Improvement approach which includes an openness to change and staff responding to data which is presented.
- The NHS foundation trust has achieved an increase in ENT day case rates from 74.6% to 94% in 2018/19. In addition, the NHS foundation trust signed up to the GIRFT 2019 Surgical Site review which concludes at the end of October 2019 and has also commenced a litigation review with the support of the GIRFT Clinical Ambassador as a result of a recent litigation report

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

The NHS foundation trust has maintained its high staff retention rates, and sickness absence rates have reduced. There has been further expansion of alternative roles, through training Physician associates to increase support they provide to medical staff, and the transfer of job plans to an electronic platform is nearing completion. Agency spend as a proportion of total pay costs has increased slightly since the last assessment however, the NHS foundation trust demonstrated working to reduce further agency expenditure growth.

- For 2017/18, the NHS foundation trust's overall pay cost per WAU remains in the highest (worst) cost quartile nationally, at £2,360. Medical and nursing cost per WAU also remain in the higher cost quartile and AHP cost per WAU, in the second lowest quartile.
- The NHS foundation trust attributes the higher overall pay cost per WAU mainly to under recording of activity and has provided evidence of an external review conducted in March 2018, which identified that the NHS foundation trust was not recording all the activity undertaken, with an income improvement opportunity of £4.2 million, if this was addressed. The high level of AHP vacancies is the main reason for the lower AHP WAU, however this is also driving agency spend.
- Expenditure on agency staffing for 2018/19 was above the agency ceiling, and at 6% of the total pay bill, was also slightly higher than the previous year (5.31%). The NHS foundation trust uses agency staff mainly to cover vacancies and sickness absences. The NHS foundation trust spends more on medical agency (55% of total agency spend) compared to other NHS trusts in the region (39%). Medical staffing vacancies at 20% are high, and the NHS foundation trust is working to improve recruitment processes, including introduction of medical leadership roles to attract senior medical staff. However, overall vacancy levels are below the NHS foundation trust target of 9.09% in August 2019.
- The NHS foundation trust has established a pay control process which aims to manage agency spend The NHS foundation trust has improved reporting at granular level to better monitor agency spend and to address any variations within specialties. There is review of individual specialities with high medical agency spend, looking to convert agency doctors to substantive staff. Specific specialities reviewed include orthopaedics, neurology, and general surgery. The NHS foundation trust is also working with neighbouring NHS foundation trusts to reduce agency prices, and any agency prices over cap are approved by the executive. Evidence provided by the NHS foundation trust, shows that monthly agency spend though variable in 2019/20, is on a reducing trend as at August 2019.
- The NHS foundation trust continues to use e-rostering for nursing working deployment, however it recognises that there are delays in publishing the rosters which is due to increased levels of scrutiny by management. Evidence of using e-rsotering in other workforce groups has not been provided, although the NHS foundation trust indicated that Medical staff in some specialities such as General Surgery and Acute medical Unit, are using e-rostering, with roster information accessible on mobile devices. The NHS foundation trust also plans to rollout e-rostering to administrative functions, and the estates and facilities department.
- The NHS foundation trust has increased the number of electronic job plans from 50% at the last assessment to 94%, with the outstanding job plans relating to consultants on maternity leave, sickness absence or disputes. The NHS foundation trust is starting to use e-roster and e-job plan information to support demand and capacity planning.
- The use of alternative roles as reported at the last assessment includes nurse associates, advanced clinical practitioners, and physician associates. Since the last assessment NHS foundation trust has expanded the use of physician associate roles, who support medical staff by undertaking tasks such as covering medical shift handovers, discharge letters and prescriptions, and other generic care processes.
- The overall staff retention remains in the best quartile at 88% compared to a national median of 85.6%. The NHS foundation trust continues to improve its approach to staff engagement, correlating engagement, sickness and retention monitoring information. The NHS foundation trust has created wellbeing champions, training them on

mental health first aid, and there had been a review of the staff benefit system. A new staff engagement platform is being rolled out, with take up reaching 11% of staff within 12 days compared to 30% nationally. Career development opportunities remain a key focus, with most of the Executives developed within the organisation, and development programmes for junior clinical staff also include leadership development pathways. Staff retirement plans aim to support retainment of skills, where by senior nurses return to support training nurse associates and nursing skills development.

- The NHS foundation trust's junior health academy has expanded to include a scholarship scheme for nursing and midwifery and a future nurse training scheme. The NHS foundation trust indicated that many of the graduates from the first academy chose to pursue a health career, training with the trust. The NHS foundation trust is currently working, through its Head of Education, to support other NHS trusts develop similar initiatives
- The overall sickness absence rate at 4.23% (June 2019) though still higher than the national median (3.96%) is an improvement from the position at the last assessment (5.2% in March 2018). The improvement has mainly realised in short term sickness absences. The main reasons for sickness absences remain anxiety and stress. The NHS foundation trust has introduced wellbeing champions with mental health training and has a mental health programme manager to support managers. The NHS foundation trust has also invested in an advanced communication tool to support communication with staff.

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

The NHS foundation trust has invested in additional pharmacy capacity to increase pharmacy support across the trust, and to enable weekend cover. The NHS foundation trust also provided examples of technology developments implemented since the last assessment which are improving productivity of its workforce.The cost of pathology services remains lower than other NHS trusts, and the NHS foundation trust is working to reduce agency and outsourcing costs in imaging services, through expanding its non-medical reporting capacity.

- The cost per test in pathology at £1.20, remains lower than national median and in the best quartile nationally. The NHS foundation trust is working with other NHS trusts in the Eastern Pathology alliance to improve the apportionment of pathology service costs across the partners. The NHS foundation trusts expect this will result in a reduction to its contribution, hence a cost saving.
- Further work is planned in the network to develop use of electronic requesting which will cover both radiology and pathology, and is expected to support implementation of demand management initiatives.
- The NHS foundation trust has a high level of vacancies in its radiologist workforce, which is contributing to the use of agency staff and the high cost of outsourcing. The NHS foundation trust has identified chest X-ray reporting as a key reason for outsourcing imaging services, and is actively working to increase reporting capacity, through expanding its non-medical workforce. The NHS foundation trust has recruited a consultant radiographer, who is also supporting the training of reporting radiographers to undertake chest x-ray, MRI, CT and spine reporting. As part of the Norfolk Imaging alliance, the NHS foundation trust is also working with neighbouring trusts to reduce outsourcing prices. Other improvement initiatives include; working to expand home reporting facilities and manage demand for abdominal x-ray requests from emergency department. The NHS foundation trust is delivering the 6-week diagnostic wait standard, and attribute this performance to better demand and capacity planning.
- The NHS foundation trust continues to deliver cost savings against medicines spend (in the local health economy) through switching to best value biosimilars. It is reported achieving £0.7 million in 2018/19, and £0.9 million as at September 2019, which are both above benchmark values.
- In the last assessment, we reported that the NHS foundation trust had only one prescribing pharmacist supporting the emergency department. The NHS foundation trust now has an additional prescribing pharmacist and two others in training. The NHS foundation trust has also invested in dedicated pharmacist resource for frailty and Paediatric services, to support with care and discharge medicines preparations.
- The NHS foundation trust reported an increase its pharmacy establishment of 21 full time equivalents, citing early benefits such as, reduced sickness absence rates from a peak of 5.3% 2017/18 to an average of 1.16% in August 2019. Other benefits expected from this investment are improved pharmacy cover on wards and discharge prescription turnaround time. Currently half of the wards are covered, with the remaining on a risk basis. The NHS foundation trusts plan to expand pharmacy cover on the weekends in November 2019.

- The NHS foundation trust provided examples of further technology developments which have been made since the last assessment, to improve workforce and service productivity (most of which have been developed inhouse). These include online theatre booking system, a single patient information system that allows clinicians to see patient interventions such as diagnostic results and outpatient attendances (in one place), and real time bed management system which supports management of flow.

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

The NHS foundation trust achieved a reduction in its maintenance backlog and critical infrastructure risk, through planned maintenance works which were informed by a maintenance survey. There have been some technology improvements in Human resources, which have supported process automation, and the NHS foundation trust has achieved the Level 1 NHS standard of procurement.

- For 2017/18, the NHS foundation trust had an overall non-pay cost per WAU of £1,209 compared with a national median of £1,307 and remains in the second lowest (best) quartile nationally. Supplies and Services cost per WAU (£327) also benchmarks below that national median (£364), in the second-best quartile.
- The NHS foundation trust achieved the NHS standard of Procurement Level 1, and it continues to collaborate with neighbouring NHS foundation trusts to realise the price benefits from procuring at scale, for instance clinical supplies in Orthopaedics and Radiology. The NHS foundation trust has also implemented other initiatives such as standardising clinical supplies with ambulance trusts to reduce levels of wastage.
- The NHS foundation trust has a Procurement Process Efficiency and Price Performance Score of 62 (scale 0- 100) for period January to March 2019, and it ranks 85th out of 133 acute specialist trusts. This suggests that there remains scope to further improve the operation efficiency of procurement processes to achieve best prices.
- The cost of the Human Resources function relative to turnover, remains higher than most other acute specialist trusts at £1.22 million per £100 million turnover (national median is of £0.9 million). The NHS foundation trust however provided examples of investments in technology which have delivered some reduction in cost for instance implementation of electronic interface between e-roster and payroll which has enabled the release of data input resource from the payroll team, saving £16,000.
- Finance function cost at 0.71 million per £100 million of turnover, is slightly above the national median of 0.68 million. The NHS foundation trust explained that its investment in a transformation finance team to support the NHS foundation trust's financial challenges and delivery of efficiencies, contributes to this higher cost. The NHS foundation trust is pursuing initiatives that will reduce running costs for instance, it has developed a business case to procure a modern finance system by June 2020 and is exploring opportunities to collaborate with a neighbouring NHS foundation trusts in respect to highly transactional areas such as accounts payable.
- Estates and facilities costs at £274 per square metre remain below the benchmark value of £354 (2018/19). Evidence provided shows savings of £0.82 million against the running costs of estates and facilities in 2018/19, which were achieved through pay effectiveness, sale of Lowestoft site and reducing its footprint. Further pay savings of £0.2 million were reported as at September 2019.
- The NHS foundation trust maintenance backlog and Critical infrastructure risk at £303 and £133 per square metre (2018/19), has reduced from previous years but remain higher than benchmark values. The NHS foundation trust conducted a survey of maintenance requirements and is using this information to prioritise maintenance work. The NHS foundation trust provided evidence of its Planned and reactive maintenance expenditure split of 70% and 30%, which is better than other trusts.

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

The NHS foundation trust reported a financial position better than the control total for 2018/19 and an improvement against the previous year. The NHS foundation trust has also increased the percentage of recurrent savings in its CIP plan. The NHS foundation trust is planning for further improvement to its financial position in 2019/20 and reported achieving its financial plan at the time of the assessment.

- For 2018/19, the NHS foundation trust had a control total of £10.4 million deficit excluding PSF, and £7.3 million deficit with PSF. The NHS foundation trust reported delivery of the control total excluding PSF, and a position better than the control total with PSF (£5.5 million deficit, 2.7% of turnover). The reported position was an improvement from the previous year, as a percentage of turnover (4.35%).

- For 2019/20, the NHS foundation trust has a control total and plan of £6.4 million deficit (2.93% of turnover) before PSF, FRF and MRET, and £1.9 million surplus with additional funding (0.86% of turnover). At the time of the assessment, the NHS foundation trust was reporting achievement of the year to date plan. The NHS foundation trust has assessed risks to delivering the plan and indicated mitigations in place are associated with further cost control and improvements in activity delivery.
- The NHS foundation trust is working to reduce reliance on non-recurrent cost improvement initiatives. For 2018/19, the NHS foundation trust reported achieving a CIP of £9.7 million (4.5% of expenditure), with 79% delivered through non- recurrent initiatives. This was an improvement against the previous year, when the NHS foundation trust reported a CIP of 3.5% of expenditure with 90.3% delivered through non recurrent means.
- The NHS foundation trust is planning to improve this further in 2019/20, with a CIP target of 9.3 million (4.18%) of which 55.9% is expected to be achieved through non -recurrent initiatives. Evidence provided by the trust indicated a focus on workforce and procurement efficiencies, and transformation programmes in diagnostics, theatres and outpatients.
- The NHS foundation trust is not reliant on additional cash support in the interim to consistently meet its financial obligations and maintain its positive cash balance. Although its cash position deteriorated in 2018/19, the trust has avoided the requirement for revenue support in 2019/20 through negotiating favourable payment terms with its commissioners. However, performance against better payment practice code remains below target and national average. As at July 2019 the valid invoices paid within 30 days were 33.3% by number and 55.6% by value. The target is 95% for both.
- The NHS foundation trust installed a new costing system just before the last inspection, and this is being used to identify opportunities for cost improvement.
- The NHS foundation trust has agreed a guaranteed income contract with its main commissioners which it expects will reduce its exposure to income variability. The trust has ensured that it is not financial disadvantaged by a fixed income contract, by building expected growth in the contract value and negotiating risk share terms in the contract. The trust also highlighted active monitoring of activity performance against contract.
- The NHS foundation trust is progressing implementation of its commercial strategy and has a partnership with real estates developers to build retails units on the James Paget University Hospital site which are providing additional incomes streams. The trust is currently working to secure innovative funding for residential property development for its staff.
- The NHS foundation trust continues to make limited use of management consultants, with external support provided where the appropriate specialist skills are not available in-house. In 2018/19, the NHS foundation trust commissioned external consultants to support with developing the income contract, reviewing of quality of activity coding and theatre improvement programmes. Reported spend on external consultancy was £0.6 million

Outstanding practice

The NHS foundation trust achieved a reduction in negative Paediatric Appendectomy rates, from 26.6% in 2013/14, to 4.35% in 2018/19 which is below the recommended 5% and lower than other NHS trusts in the region (average 10.80%) and nationally (average 14.21%).

The Trust has also achieved a low negative appendectomy rate for adults, which is also the lowest in the region at 5.37%. This has been achieved through a new Quality Improvement approach which includes an openness to change and staff responding to data which is presented.

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS foundation trust should progress implementation of improvements to activity capture processes, which ensure better quality of activity monitoring and benchmarking information.
- The NHS foundation trust should continue working to reduce growth in agency spend, and maintain the agency expenditure below the ceiling set by NHS England and NHS improvement.
- Procurement scores indicate that there remain opportunities to further improve efficiency of procurement processes and price performance.
- A continued focus on reducing agency and outsourcing costs in imaging services is required.

- The NHS foundation trust should continue working to reduce reliance on non- recurrent CIPs.
- The NHS foundation trust's performance against the better payment practice code remains below most NHS trusts. The NHS foundation trust should consider improving creditor payment terms.
- The NHS foundation trust should progress the planned technology and collaborative working improvements in respect to its finance function.
- The NHS foundation trust should continue assessing and implementing cost improvements in HR function.
- The NHS foundation trust has identified high levels of DNAs in Paediatrics and should continue working to reduce them.

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 →← Sept 2019	Good →← Sept 2019	Good →← Sept 2019	Outstanding ↑ Sept 2019	Good →← Sept 2019	Good ↑ Sept 2019

Overall quality

Good →← Sept 2019

Combined quality and use of resources

Good →← Sept 2019

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.