Norfolk and Norwich University Hospitals NHS Foundation Trust

Use of Resources assessment report

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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?	Requires improvement

Are resources used productively?	Requires improvement

Combined rating for quality and use of resources	Requires improvement

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

Our combined rating for Quality and Use of Resources is awarded by combining our five 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.

NHS Trust

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Date of inspection visit: 10 December 2019 to 15 January 2020
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This report describes NHS Improvement's assessment of how effectively this trust uses its resources. It is based on a combination of data on the trust's performance over the previous twelve months, our local intelligence and qualitative evidence collected during a site visit comprised of a series of structured conversations with the trust's leadership team.

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?	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 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 3rd December 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

Requires improvement

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

We rated the use of resources at this NHS foundation trust as Requires Improvement. The NHS foundation trust was last assessed in February 2019 (nine months from the date of this assessment), and although there have been some actions taken to improve workforce and service productivity, it was too early to evaluate their impact. The metrics associated with the costs of delivering activity had not yet been updated and several initiatives had either recently been implemented or were just being scoped. For areas where the assessment data had been updated, the NHS foundation trust's performance is variable. It continues to compare well against some clinical services productivity metrics but its performance against constitutional operational standards has declined and its financial position continues to deteriorate.

- For 2018/19, the NHS foundation trust reported an outturn position of £60.9 million deficit before PSF (10.2% of turnover), which was worse than its plan of £54.2 million deficit and a deterioration against the previous year. At the time of the assessment the NHS foundation trust was reporting a year to date deficit of £42.3 million (10.06% of Income) which was £6.4 million adverse to its year to date plan (November 2019). The NHS foundation trust's cash position has also worsened, with increased reliance on revenue loans to meet its financial obligations and maintain a positive cash balance, which prompted its Board to increase the borrowing limit.
- The deterioration in the financial position continues to be driven by workforce cost pressures and underperformance against income and cost improvement plans. The NHS foundation trust also recognises that its business planning needed to be more robust, in particular demand and capacity plans, to avoid in-year reliance on temporary staffing capacity and outsourcing of elective work to the private sector (a drive to deliver performance requirements). The displacement of elective activity by non-elective demand pressures has also adversely impacted the NHS foundation trust's income position.
- Performance against most of the constitutional operational standards has worsened with the NHS foundation trust benchmarking worse than most trusts. Accident & Emergency 4-hr performance benchmarks worst in the country. The NHS foundation trust has also not sustained some of the improvements in patient flow, with variable performance reported against long length of stay and Delayed Transfers of Care (DTOCs), the latter partly impacted by external factors (nursing home capacity constraints)
- Since the last assessment, the NHS foundation trust has embarked on improving its workforce deployment processes and addressing medical workforce costs (which were high compared to other NHS trusts). Whilst the NHS foundation trust has been able to demonstrate some improvement in e-rostering KPIs and progress in implementing a revised consultant job planning process, continued focus is required for this work to translate into better utilisation of substantive staff and reduced reliance on temporary capacity solutions.
- The NHS foundation trust has continued to improve productivity in pathology services through replacement of pathology equipment, and it has worked with partners across the STP to develop a network for imaging, which is in line with the national strategy for imaging services. Clinical pharmacy and diagnostic services have also been extended to operate 7 days per week, to support patient flow
- The NHS foundation trust has implemented quarterly reporting of service line performance at division and speciality level, as part of its financial monitoring. The improvement is also as a result of better communication of the data sets and plans to improve usage.
- Recruitment to additional roles in its finance function is ongoing, and this is expected to strengthen its finance business partner model. Improvements are being made to the CIP delivery governance and support processes however, the NHS foundation trust is still reliant on external consultancies to support CIP development.
- Capacity constraints in the Human Resources function are recognised but yet to be addressed. Payroll processes remain largely paper based which presents challenges such as process delays and overpayments. The NHS foundation trust cited limited capital funding as a constraint to investment in modern technology solutions across its services. It has however, invested in IT infrastructure and is working on a long-term systems improvement strategy.

- The NHS foundation trust is beginning to the realise benefits of repatriating its procurement services and has taken on a leading role to develop procurement collaboration with neighbouring NHS trusts.
- Savings opportunities identified against the cost of the estate (by an external review) are yet to be realised.
- The NHS foundation trust's performance across most clinical services productivity metrics such as pre-procedure bed days and Did not attend rates remains strong, indicating better utilisation of elective beds and outpatient facilities. There is scope to improve utilisation of non-elective beds

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

Whilst the NHS foundation trust continues to compare well across most of the clinical services productivity metrics used in this assessment, its performance against the constitutional operational standards remains worse than most other NHS trusts, with a deterioration in some. There also remains scope to improve utilisation of non-elective beds and reduce long length of stay.

- At the time of the assessment, the NHS foundation trust was not meeting most of the constitutional operational standards, and performance for some had deteriorated. Performance against the 4-hour Accident and Emergency (A&E) at 59.06% in November 2019, benchmarked worst in the country. The NHS foundation trust previously met the 6-week diagnostic wait; however, performance has been variable with the NHS foundation trust reporting 97.31% in October 2019 against national standard of 99%.18-week Referral to treatment (RTT) performance has also declined and the NHS foundation trust reported 79.9% in October 2019, which was worse than most other NHS trusts and below the standard of 92%. Cancer 62-day performance is variable. For October 2019, the wait from urgent GP referral at 63.66% was below national standard of 85% and worse than most NHS trusts, and the Cancer screening service referral wait was 96.72% which was above the national standard of 90%.
- The NHS foundation trust's 30 day-emergency readmission rates at 6.66% for period July to September 2019, remain below the national median of 9.34%. The NHS foundation trust attributes some of the improvements to its development of dedicated emergency services for the older people via the establishment of an Older People's Emergency Department (OPED), with specialist geriatric input, and a ward based ambulatory care unit with a 48 hour wait for a comprehensive assessment. The service aims to support reduced admissions and readmissions, improve length of stay and patient outcomes. Evidence provided showed that there had been a significant increase in attendances levels for patients aged 80 and above, however the NHS foundation trust, through its OPED services, has been able to manage conversion rates and avoid increases in admissions. Readmission rates for this cohort of patients have also remained steady. Other admission avoidance schemes are being developed with system partners, for instance GP streaming will be implemented during December 2019 following two successful pilots, and the NHS foundation trust has signed up to a national 'Same Day Emergency Care' project. The pilot is being designed with the national team
- The integrated discharge team (which was implemented last year), and the co-location of the discharge and social care hub, brought about better working between health and social care teams. This contributed to the NHS foundation trust achieving a reduction in DTOC rate from 4.4% in February 2019 to 3.5% in period May–June 2019. However, the improvement has not been sustained and performance has been variable, with the NHS foundation trust reporting a DTOC rate of 3.8% in November 2019. The NHS foundation trust attributes the variable performance to the increased constraints in nursing home capacity in its locality over the last twelve months. Since the last assessment a new joint role between the NHS foundation trust and the local authority has been created (Head of Discharge Planning) and is being recruited to, which the trust expects will continue to improve patient discharge processes.
- Other initiatives to improve patient flow that have been introduced since the last assessment include long stay Tuesday and Wednesday, which involve weekly review of patients with a long length of stay by a team that is executive led and includes therapists and social workers. All the wards also have a discharge coordinator. Pharmacy clinical services and diagnostic services have been extended to operating 7 days per week, with ECHO investigation and radiology access cover also increased into the weekend. Although a senior decision maker is not available in all clinical areas at the weekend, the NHS foundation trust has increased the number of senior clinical decision makers undertaking ward rounds at the weekend and is looking to introduce nurse led discharges. The NHS foundation trust has also been undertaking targeted work with the local mental health trusts and mental health liaison team to address complex pathways for mental health patients.
- However, the improvements are yet to reflect in the NHS foundation trust's length of stay performance as evidence provided shows that there have been little improvements in overall Length of Stay performance, and where some

improvements were achieved, they have not been sustained. The NHS foundation trust had an ambition to reduce its long length of stay (patients with a length of stay over 21 days) by 36%, from the March 2019 baseline of 132. The NHS trust reported an improved position of 108 in July 2019, however this was not sustained and the reported position at the time of the assessment was 136.

- Non-elective pre-procedure bed day performance has been variable since the last assessment, however, the NHS foundation trust's performance at 0.52 is better than the national median (0.64). The NHS foundation trust indicated that further improvements to the flow of hip fracture patients, are constrained by orthogeriatric capacity.
- Pre-procedure bed days for electives remain steady at 0.07 for period July to September 2019 continue to benchmark better than national median of 0.11. This means that fewer patients are coming into hospital prior to planned treatments compared to most other hospitals in England. The NHS foundation trust has maintained the practice of largely admitting patients on the day of surgery, unless there is clinical justification for prior admission. Improvements continue to be made, with a new cardiology day unit opened in December 2018 facilitating more day cases to be done. Evidence provided by the trust demonstrates a proportional increase in cardiology day case activity since the unit was opened. An additional cardiology laboratory facility is planned to open which will support more additional cardiology day cases to be undertaken.
- The use of the Day Procedures Unit to accommodate the increasing numbers of non-elective patients has impacted on the NHS foundation trusts day case rates. The NHS foundation trust is an outlier in several of its day case rates for period April to June 2019 (gynaecology 45% compared to national median 66.5%, general surgery 67% compared to national median 69%, paediatric 62% compared to national median 90%). The NHS foundation trust is currently exploring the option of using the Vanguard unit for paediatric surgery. In addition, a new ward block is planned to open in February 2020 which will allow the Day Procedure Unit bed capacity to be released. Other solutions being sought are clinical services collaboration with hospitals in the local health system and the re-location of ophthalmology procedures to release capacity within the eye theatre.
- The NHS foundation trust has been able to consolidate its bowel screening endoscopy capacity through working in partnership with Quadram Research Institute, which has increased the physical capacity (with the addition of 3 endoscopy rooms and potential for 2 more rooms) to undertake bowel screening during normal working hours. This has allowed the NHS foundation trust to save £1.6 million against outsourcing and additional payments made for out of hours capacity. The NHS foundation trust already has a number of nurses endoscopists and plans to increase this resource in the future.
- The Did Not Attend (DNA) rate for the NHS foundation trust remains steady and in the best quartile, with a performance of 5.36% for the period July to September 2019 against a national median of 7.13%. The NHS foundation trust maintains this by over booking clinics in areas with high DNA rates, making use of text messaging reminders, and both management and outpatient administration functions are involved in reviewing and following up patients who miss clinic appointments.
- Our previous assessments identified that the NHS foundation trust had engaged with the 'Getting It Right First Time' (GIRFT) programme, and a number of visits had taken place. There have been further visits this year and since November 2019, actions are monitored via the Medical Director's office. The NHS foundation trust expects this will deliver better tracking of the implementation of recommendations and engagement with GIRFT team. Evidence provided by the NHS foundation trust shows that its priority GIRFT recommendations are; clinical coding in all specialities, pathway redesign for MRI scans, and collaboration in provision of Urology, ENT and Vascular services (through a hub and spoke model). However, evidence of progress against these recommendations has not been provided.

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

Since the last assessment the NHS foundation trust has embarked on improving its workforce deployment processes and addressing medical workforce costs (which were high compared to other NHS trusts). whilst the NHS foundation trust has been able to demonstrate some improvement in e-rostering KPIs and progress in implementing a revised consultant job planning process, continued focus is required for this work to translate in better utilisation of substantive staff and reduced reliance on temporary capacity solutions.

- The overall cost pay WAU has not been updated since the last use of resources assessment conducted in February 2019, where the trust had an overall pay cost per WAU of £1,891 compared with a national median of £2,180, placing them in the lowest cost quartile nationally (based on 2017/18). The NHS foundation trust was also in the lowest (best) cost quartile for nursing cost per WAU and the second lowest (second best) quartile for AHP cost per WAU. However, medical costs per WAU benchmarked in the highest cost quartile nationally.

- Since the last assessment, the NHS foundation trust has embarked on a programme of work led by the medical director, which aims to improve medical workforce productivity. Initiatives include implementing a more robust job planning process that aims to align consultant job plans with national guidelines, improve medical workforce deployment and reduce premium additional payments currently being made to provide temporary capacity (evidence provided by trust shows the additional payments make up 5% of total consultant medical expenditure).
- The NHS foundation trust is also reviewing its national returns as it has identified that the costs of consultants undertaking activity for neighbouring trusts (6% of total pay cost) is not being adjusted for and therefore reflected against their pay bill. The NHS foundation trust expects the above actions will result in a lower medical cost per WAU in future years.
- 54% of job plans have been reviewed over the last 2 months under the new process. Some inaccuracies in payments have also been identified, which prompted a review of Electronic Staff Record (ESR) data against job plans. Greater overview of medical capacity is being realised and an assurance panel is in place to ensure consistency of process and output. As this work has only just commenced, it was not possible to assess the impact of these initiatives, however the NHS foundation trust provided evidence of a monthly reduction in the waiting list initiative payments since 2019. Job planning for other staff groups has not yet commenced.
- The NHS foundation trust previously achieved a significant reduction in agency spend (from 6.73% of total pay costs to 2.93% in 2017/18), however this has not been fully maintained. Agency spend in 2018/19 was reported as 3.59% of gross pay costs and exceeded the agency ceiling by 19%. At the time of the assessment in November 2019, the NHS foundation trust had already exceeded the agency ceiling with agency expenditure equivalent to 3.67% of total pay expenditure. The NHS foundation trust has been collaborating with neighbouring NHS trusts and working with medical agencies to agree rates within the recommended agency price caps. All medical agency use requires sign off by the medical director except for Emergency Department (ED). Specific operating procedures for use of agency have been agreed in ED, where vacancies are high (30%). There are still some high cost locums being used in hard to recruit medical specialities.
- The NHS foundation trust recognises that further work is required to fully benefit from its staff bank. The trust is collaborating with other trusts, and there is shared bank across Norfolk and Waveney. New staff are automatically enrolled on the bank and ward managers are being encouraged to utilise more bank staff as opposed to agency staff.
- Our last assessment identified that there was scope to improve the effectiveness of e-rostering in workforce deployment. The NHS foundation trust has made some improvements for instance improving the publishing of rosters at 6 weeks, from 17% in May 2019 to 41.7% in November 2019. Training and support for staff has been put in place and key performance indicators continue to be used to monitor compliance. Stronger governance processes are being implemented, for instance monthly reviews to monitor staff utilisation and efficiency, and check and challenge meetings are now held to provide assurance of the effectiveness of the rotas. Self-rostering has been trialled on a ward and the NHS foundation trust provided evidence to demonstrate that this approach delivered improvements in retention of staff and a reduction in sickness absences. The improvements are mainly within the nursing workforce and more work is required for midwifery. The NHS foundation trust also indicated there is limited resource to support further rollout of e-rostering to other staff groups.
- Whilst the NHS foundation trust has electronic solution to capture patient acuity information, this is not utilised effectively for real time deployment of staff across the hospital sites.
- A skill mix review has recently been undertaken and as a result it has been identified that there is a gap for registered mental health nurses. A paediatric staffing review has also been undertaken which has resulted in the investment of additional staff to meet the Royal College recommendations for children's nursing.
- The NHS foundation trust indicated that its investment in increased staffing numbers resulted in higher vacancy rates for nursing and medical workforce, and it is pursuing overseas recruitment strategy for both staff groups, with an expectation of recruiting 20 overseas nurses every month. The trust has low vacancies in midwifery. Vacancy rates for band 2 health support workers had previously been significantly high, but the NHS foundation trust indicated that focused recruitment has now addressed most of these vacancies. Updated vacancy rates were not provided.
- Several alternative workforce roles continue to be used at the NHS foundation trust including, 15 Advanced Nurse Practitioners working across the emergency care pathway and Advance Clinical Practitioners working across the trust. 25 Nursing Associates have been introduced across the trust and rehabilitation assistants have also been trialed in critical care.
- The overall staff retention rate at 84.8% (September 2019), has deteriorated from the previous year (85.8% for September 2018) and the NHS foundation trust benchmarks worse than the national median. There has been focused work on recruitment especially for health support workers where turnover was high. Development for this

group of staff is now well supported through the practice development team. There has also been increased staff engagement with nursing and midwifery staff, now being part of the clinical leadership teams. A 'freedom to speak guardian' has been appointed and a daily serious incident review process is in place which gives staff opportunity to escalate any issues.

- At 5.07% (October 2019) the staff sickness absence rate is above the national median of 4.42%, and in the worst performing quartile nationally. This is a deterioration since the last assessment (February 2019). The NHS foundation trust has identified an increased trend of mental health related sickness absences, and mental health is now the top reason for sickness absences. The NHS foundation trust is planning to provide break facilities for staff and build resilience using mental health first aiders.

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

The NHS foundation trust is working towards achieving the national strategic direction for Imaging services, with its Pathology service already aligned to the national strategy. It has continued to improve pathology services through procurement of pathology equipment, ensuring consistent standards across all sites and reducing costs. The NHS foundation trust is acting on recommendations from the last report to understand and address the reasons for the high medicines spend and is also increasing clinical pharmacy time. The NHS foundation trust has started working with partners across the STP to develop a strategy for imaging services for the local population.

- The overall cost per test at the NHS foundation trust remains in the lowest quartile nationally due to an established network, with further reductions expected following implementation of the recently procured pathology equipment.
- The NHS foundation trust has recently been awarded the Human Papilloma Virus (HPV) screening contract from the national programme which will increase the footprint of organisations that the NHS foundation trust works with across the East of England. Although this has generated an in-year cost pressure, NHS foundation trust expects that the higher volumes of work will support driving down of future costs. The increased interaction across the East of England in relation to HPV is expected to also support wider collaboration across the region for pathology.
- The NHS foundation trust is leading on the rolling out of digital pathology on behalf of the cancer alliance, working in partnership with a digital pathology supplier. However, further work is required to install a single Laboratory Information Management System (LIMS) which will enable; flexibility of workforce across all sites, streamlining processes and accreditation across all sites.
- Norfolk and Waveney connected care records have been implemented in pathology (as a pilot) which ensures that all health care records across the STP are updated every 15 minutes with pathology results. This includes GPs and Paramedics.
- The NHS foundation trust with its partners, are early adopters of the Imaging Network strategy, which is the recent national direction for imaging services. They are working towards developing a regional diagnostic and assessment centre.
- The NHS foundation trust has secured capital funding for the development of a Diagnostic Assessment Centre (DAC) in partnership with the other two acute trusts in the STP. Progress has been made on the development of the business case with the outline business case expected by May 2020.
- The NHS foundation trust's performance against the national 6- week diagnostic standard has worsened since the last assessment. The NHS foundation trust attributes this to reduced ultrasound capacity and difficulty in recruiting staff with the necessary skill set for musculoskeletal intervention and diagnostics. The NHS foundation trust has previously relied on additional payments to consultants to provide extra capacity, however with the changes in the consultant pension schemes, the NHS foundation trust is no longer able to secure the additional temporary capacity through this approach.
- The NHS foundation trust's medicines cost per WAU at £485 remains relatively high when compared nationally (national median is £430). The NHS foundation trust seeks to secure better medicines prices through use of national and regional framework contracts.
- As part of the Top Ten Medicines programme, it is continuing to make good progress in delivering the nationally identified savings opportunities. The NHS foundation trust supported delivery of savings above the upper benchmark and better than most trusts in 2018/19, and as at November 2019, the NHS foundation trust is reporting savings of £6.47 million, which is above the national benchmark of £4.09 million.
- Since the last visit the NHS foundation trust has made significant progress in addressing the in-tariff drug expenditure which was identified as an area for improvement in the last assessment. Evidence provided by the NHS foundation trust demonstrates this is better managed and within expected expenditure levels.

- The NHS foundation trust has also extended its clinical pharmacy services at the weekends, and is investing in training of pharmacy technicians, who will take on core pharmacy activities in future, releasing the pharmacists to do more clinical activity.
- At the last visit, the NHS foundation trust had anticipated roll out of e-prescribing to Outpatients and Emergency Department areas, this has been delayed in Outpatients and although implemented in the Emergency Department, the system is not yet in use, pending further upgrades.
- The NHS foundation trust has acknowledged that its digital systems maturity is lagging due to historic under investment. It has recently invested £2.8 million in core IT infrastructure whilst developing a 5-year digital strategy. Alongside this, the NHS foundation trust is part of an STP wide proposal to roll out a single Electronic Patient Record (EPR), which is anticipated to have a significant impact on clinical productivity.

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 is progressing plans to strengthen the Finance function though implementation of a business partner model and is planning to pursue a similar model in Human Resources. The NHS foundation trust is beginning to realise benefits of repatriating its procurement services, however savings opportunities identified against the cost of the estate (by an external review) are yet to be realised.

- For 2017/18 the NHS foundation trust had an overall non-pay cost per WAU of £1,423, compared to a national median of £1,307, placing it in the highest cost quartile nationally (This data has not been updated since the last assessment).The key contributors to this position being premises and establishment costs, supplies and services and medicines costs, which all benchmark in the highest cost quartile.
- As in the previous assessments, the NHS foundation trust has a lower than national median spend on Finance and Human Resources functions. For 2018/19, Finance department costs are £0.5million per £100 million of turnover against a national median of £0.7million, and Human Resources function cost are £0.6 million per £100 million of turnover against a national median of £0.9 million.
- At previous inspections, the NHS foundation trust has cited plans to recruit additional support to the clinical divisions in order to improve capacity and capability. The NHS foundation trust has since recruited a new Head of Financial Management and is process of recruiting junior support for this role to consolidate the business partnering function. The NHS foundation trust has also rehoused its accounts payable function. As these are recent changes, the benefits are yet to be realised
- The NHS foundation trust recognises that the HR function has relatively low staffing numbers leaving some areas without the right levels of support, such as medical staffing. The NHS foundation trust plans to introduce a business partner model in HR. Some HR process improvements have been realised, for instance, a reduction in the time to recruit from 72.9 days in Dec 2018 to 63.4 days in Nov 19 which has been consistently delivered since March 19.
- The NHS foundation trust has dispersed bank and locum support arrangements and is planning to consolidate the administration support across the trust.
- Payroll services are largely paper based which is contributing to poor service quality performance, for instance there are delays in processing payroll changes, leading to staff overpayments.
- Estates and facilities costs at £642 per square metre benchmark above the national median of £377 and in the highest cost quartile nationally. Backlog maintenance and Critical infrastructure risk remain in the lowest quartile at £89 per square metre and £35 per square metre, respectively.
- At the last assessment, the NHS foundation trust had commissioned an external review of its PFI contract which had identified opportunities for cost reduction. The NHS foundation trust has been working, with the support of an external PFI consultancy firm, to prepare for the soft FM market test in 2021. In addition, the NHS foundation trust is planning to undertake a dilapidation survey and also strengthen the PFI contract team to ensure the NHS foundation trust is receiving best value for money from the contract.
- At the last assessment, the NHS foundation trust had recently repatriated its procurement function from a third party. This enabled the NHS foundation trust to save £187,000 on the departmental costs. The NHS foundation trust indicated that other benefits of in housing the services included better engagement with stakeholders in the procurement of goods and services. This has started to generate further procurement CIP ideas, for instance the procurement team have worked with clinical services to deliver savings in outsourcing printing and posting. The NHS foundation trust expects to deliver £4 million procurement related savings in 2019/20
- The NHS foundation trust operated an on-line catalogue system with controls in place to ensure orders are placed from the catalogue and is currently reporting a 98.8% compliance on e-catalogue.

- The work required to establish joint procurement working arrangements with two other local NHS trusts (The Norfolk Acute Procurement Partnership) has not progressed since the last assessment. The NHS foundation trust is committed to developing procurement partnership across the STP and is now leading the initiative.

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

The NHS foundation trust's financial position has continued to deteriorate mainly due to under performance against income plans and workforce cost pressures. The NHS foundation trust's cash position has also worsened with increased reliance on revenue loans to meet its obligations and maintain a positive cash balance.

- The NHS foundation trust did not agree the control total for 2018/19 of £8.5 million deficit before PSF, but had a financial plan of £54.2 million deficit before PSF. The NHS foundation trust did not deliver the forecast of £57.9 million reported at the last assessment (February 2019). It achieved a worse outturn position of £60.9 million deficit (10.2% of turnover). The key drivers of the adverse position remained increased expenditure on workforce and underperformance against income plans.
- For 2019/20, the NHS foundation trust agreed its control total of £55.3 million deficit excluding PSF, FRF and MRET, and £20.7 million deficit with the additional funding. At the time of the assessment, the NHS foundation trust was reporting a deficit of £42.3 million excluding PSF, FRF and MRET, which was £6.4 million adverse to the year to date plan. The main reasons for the adverse position continue to be a rising pay bill and underperformance against the income and cost improvement plans.
- Pay cost pressures are mainly driven by the NHS foundation trust's reliance on premium temporary staffing solutions including agency and overtime. The NHS foundation trust also recognises that the business planning for 2019/20, in particular, demand and capacity planning, was not representative of the true position, and this has had an adverse impact its financial performance by driving in year reliance on temporary staffing capacity and outsourcing of elective work to private sector (in a drive to meet waiting times)
- Although the NHS foundation trust is still forecasting to deliver its plan, it recognises that there are significant risks to achieving it, including the increasing non-elective demand and underperformance against income and CIP plans.
- In 2018/19 the NHS foundation trust reported achieving CIP of £27.8 million, which was more than its plan of £25 million. For 2019/20, the efficiencies in the CIP are £28.6 million and NHS foundation trust were reporting achievement of £14.2 million, which is 88% of its year to date plan (November 2019). A high proportion of the CIP continues to be delivered though income growth initiatives. The NHS foundation trust continues to forecast delivery of its £28.6 million CIP plan, and some improvements are being made to the CIP delivery governance and supporting process, for instance; clinical directorates have set up forums known as Divisional Financial Improvement and Programme boards, to enable a trust wide understanding of initiatives and delivery progress, and there are working sessions led by the Programme Management Office to support divisions identify efficiency opportunities. However, delivery of the CIP plan remains a challenge as the NHS foundation trust is not achieving the expected income growth nor the reductions in temporary staffing costs.
- At the last assessment, the NHS foundation trust had assessed its underlying position as a recurrent deficit of £75 million, the NHS foundation trust has not provided an update to this but expects the position to deteriorate given the increase in staffing levels. The NHS foundation trust has also not updated its medium-term financial recovery plan.
- The NHS foundation trust has maintained the required £1 million cash balance; however, it is increasingly reliant on revenue loans to pay its financial obligations and maintain the positive cash balance. The NHS foundation trust's year to date revenue loan balance of £140.3 million (November 2019), exceeds the borrowing plan for 2019/20 (£132.7 million), with further revenue loans expected in futures months of the financial year. The NHS foundation trust's board has increased its borrowing limit for 2019/20 to £175 million
- Our last assessments highlighted the underdeveloped use of costing data and service line reporting at the NHS foundation trust. Evidence provided by the NHS foundation trust indicates that it has since implemented quarterly reporting of service line performance at division and speciality level, as part of financial monitoring. The trust is continuing to engage divisions to embed the use of service line reporting and costing data in the NHS foundation trust's performance management processes and to support strategic review of services.
- The NHS foundation trust reported achieving its income plan for 2018/19, however at the time of the assessment in December 2019, the NHS foundation trust was reporting an income position that was £1.2 million adverse to plan, largely due to underperformance against the elective income plan. The NHS foundation trust is still considering negotiating a change in terms of income contract which allow more certainty of its income position. This will however require the NHS foundation trust to rely cost saving rather income improvement initiatives in future years.

- The NHS foundation trust remains reliant on management consultants to support identification and development of productivity improvement opportunities. Since the last assessment, the NHS foundation trust has spent £0.8 million on external consultancy support, most which was commissioned to support with development of efficiency improvement initiatives.

Outstanding practice

The NHS foundation trust has dedicated emergency services for the older people known as Older People's Emergency Department (OPED). This has specialist geriatric input, and a ward based ambulatory care unit with a 48 hour wait for a comprehensive assessment. The service aims to support reduced admissions and readmissions, improve length of stay and patient outcomes. Evidence provided showed that there had been a significant increase in attendances levels for patients aged 80 and above, however the NHS foundation trust, through its OPED services, has been able to manage conversion rates and avoid increases in admissions. Readmission rates for this cohort of patients have also remained steady.

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS foundation trust should continue working to ensure that improvement initiatives in clinical services deliver expected reductions in Long Length of stay and better utilisation of non-elective beds.
- The NHS foundation trust should continue working to improve its performance against the national constitutional operational standards.
- The NHS foundation trust should continue working to improve its internal capacity and capability to identify and drive implementation of transformational cost improvement programmes.
- The NHS foundation trust should review operational and business planning processes to ensure to less reliance on more expensive temporary capacity solutions in future years
- The NHS foundation trust should continue working embed effective use of e-rostering in workforce deployment, optimising use of substantive staff and reduce temporary staffing costs.
- The NHS foundation trust has started to address the high medical workforce costs. The trust should ensure that its revised job planning processes translates into optimisation of consultant workforce
- The NHS foundation trust should consider use of modern systems in payroll to ensure faster and traceable transactions.
- The NHS foundation trust should progress implementation of improvements in HR operating to ensure the managers have the right level of support to address workforce challenges.
- The NHS foundation trust should continue working to develop procurement collaboration with NHS partners, and scope further opportunities to secure benefits of scale its support services.
- The NHS foundation trust should implement the identified actions to reduce the cost of its PFI.
- The NHS foundation trust should continue to review its workforce model and recruitment strategies with the aim of identifying and implementing innovative ways to address workforce gaps.

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 →← Apr 2020	Good ↑ Apr 2020	Good →← Apr 2020	Requires improvement →← Apr 2020	Requires improvement →← Apr 2020	Requires improvement →← Apr 2020

Overall quality

Requires improvement →← Apr 2020

Combined quality and use of resources

Requires improvement →← Apr 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.