North Middlesex University Hospital NHS Trust

Use of Resources assessment report

Sterling Way
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Date of publication: 25/10/2019

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	Requires improvement
Are services safe?	Requires improvement
Are services effective?	Requires improvement
Are services caring?	Good
Are services responsive?	Requires improvement
Are services well-led?	Good

Are resources used productively?	Requires improvement

Combined rating for quality and use of resources	Requires improvement

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

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

- We rated safe, effective, responsive, and well-led as requires improvement; and caring as good;
- We took into account the current ratings of the five core services not inspected at this time. Hence, four services across the trust are rated overall as requires improvement, and four services are rated good;
- The overall ratings for the hospital remained the same; and
- The trust was rated requires improvement for Use of Resources.

NHS Trust

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Date of inspection visit: 02 July to 15 August 2019
Date of publication: 25/10/2019

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

Proposed rating for this trust?	Requires improvement

How we carried out this assessment

The aim of Use of Resources assessments is to understand how effectively providers are using their resources to provide high quality, efficient and sustainable care for patients. The assessment team has, according to the published framework, examined the trust's performance against a set of initial metrics alongside local intelligence from NHS Improvement's day-to-day interactions with the trust, and the trust's own commentary of its performance. The team conducted a dedicated site visit to engage with key staff using agreed key lines of enquiry (KLOEs) and prompts in the areas of clinical services; people; clinical support services; corporate services, procurement, estates and facilities; and finance. All KLOEs, initial metrics and prompts can be found in the Use of Resources assessment framework. We visited the trust on 02 July 2019 and met the trust's executive team (including the chief executive), non-executive directors (in this case, the chair and the chair of the finance committee) 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 use of resources as requires improvement because the trust does not consistently manage its resources to allow it to meet its financial obligations on a sustainable basis and to deliver high quality care. The approach to identifying and realising efficiency opportunities is not yet embedded across the organisation.

- In 2018/19 financial year the trust exceeded its Control Total by £6.3m including Provider Sustainability Funding (PSF) and by £1.4m excluding PSF. The trust has accepted its Control Total for 2019/20 financial year and as at June 2019, is on plan to deliver their financial outturn. In 2017/18 financial year the trust failed to achieve the financial plan, and this was noted as an area for improvement in the previous Use of Resources Assessment (June 2018).
- The trust's reported and underlying position has also shown marked improvements over the past 12 months. Excluding PSF, the 2017/18 financial year reported deficit was £29m and in 2018/19 financial year this improved to £17.6m. The plan for 2019/20 financial year is for a further improvement to £14.2m (excluding PSF). The underlying deficit has also improved over this period. In 2017/18 financial year the underlying deficit was £21.1m, in 2018/19 financial year this improved to £18m and the plan for 2019/20 financial year is for a further improvement to £10.9m. (3.3% of turnover).
- The trust planned Cost Improvement Programme (CIP) remains as an area of continued challenge. The CIP plan for 2018/19 financial year was £15m (4.5% of operating expenditure), but only delivered £11.8m (79% against plan and 3.5% of operating expenditure). The 2018/19 financial year CIP delivery was also supported by an unplanned non-recurrent benefit of £1.3m. The trust is currently behind plan for CIP delivery by £121,000 as at June (financial year 2019/20). The trust also has £3.4m (28%) of unidentified CIP.
- The trust has made a number of improvements over the past 12 months. Specifically, there were two areas noted for improvement in the June 2018 report. These relate to achieving the financial plan and improvements in super stranded patients. In both of these areas the trust is able to demonstrate improvements. By April 2019 the trust achieved a 27% reduction in super stranded patients against a March 2018 baseline. This was the third best performance in London. As noted above the trust also successfully achieved its control total in 2018/19 financial year and it on plan at M3 in 2019/20 financial year.
- In addition, the trust has also made improvements in several other areas, most notably:
  - Accident & Emergency (A&E) performance has improved in financial year 2017/18. In May 2019 the trust achieved 88.44% in their A&E performance which compares against a national median of 86.53%. This places it in the second (best) quartile nationally.
  - In 2018 the trust launched their Workforce Strategy 'Culture, Capacity and Capability'. Since then they have seen reductions in their vacancy rates from 14% in April 2018 to 8.9% in March 2019. In addition, their staff turnover fell over the last 10 months of financial year 2018/19, following an increase in the previous 12 months. Lastly, the trust has seen a reduction in sickness absence to 3.9% in March 2019.
  - The trust over performed by 120% of the target set for the top 10 medicines.
- There are however a number of areas where performance has not improved or has declined. These include:
  - Pre-procedure non-elective and elective bed days is an area of challenge for the trust.
  - Did not attend (DNA) rates and emergency readmissions are two areas were the trust struggles and does not perform favourably compared to national benchmarks.
  - Cancer 62 days from urgent General Practitioner (GP) referral to first treatment deteriorated over the last year. The reason for this are understood, however the impact of this issue has placed the trust in the worst quartile nationally. The replacement of key equipment has been resolved and the trust has fully integrated the risk management relating to capital expenditure of such items within the trust governance processes and procedures.
- Over 2018 the trust has invested in a number of areas such as HR, IT and service transformation. These are key enabling workstreams that should support future sustainable improvements and some areas such as the staff survey results are starting to show evidence of success. While the trust may not yet be able to demonstrate evidence of improvement across the full range of metrics reviewed under Use of Resources it is anticipated that the impact of these positive investments and efforts will continue to be realised over the coming year and beyond.

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

- The trust did not meet its A&E performance over the past 12 months. They have however improved on their performance in financial year 2017/18 and in May 2019 their performance was 88.44% which compares against a national median of 86.53%. This places it in the second (best) quartile nationally. The trust have seen sustained improvement through the Urgent and Emergency Care Improvement Programme (UECIP). There has been particular focus on the Frailty pathway, Ambulatory Service, and Fracture Clinic.
- The trust has performed well against the Referral-to-Treatment (RTT) standard and has achieved this target over the past 12 months. In April 2019 the trust's performance was 93.77% against a national median of 86.48%. This places it in the first (best) quartile nationally.

- The trust has also performed well against diagnostics and has achieved this target over the past 12 months. In April 2019 the trust's performance was 99.52% against a national median of 98.49%. This places it in the first (best) quartile nationally.
- The trust's 62 Cancer performance from urgent GP referral over the past 12 months has been variable. The trust did not achieve the target from October 2018 to March 2019 but has successfully achieved this target in April 2019 with performance of 90.63%. This places it in the first (best) quartile nationally.
- The trust does not benchmark favourably on pre-procedure non-elective and elective bed days. For pre-procedure elective bed days, the trust reported 0.14 during quarter one of the 2019/20 financial year against a national median of 0.12. This places it in the third quartile nationally. For pre-procedure non-elective bed days, the trust reported 0.77 during quarter one of the 2019/20 financial year against national median performance of 0.66. This places is in the third (second worst) quartile nationally. The trust report they are introducing 'Hot Floor' and 'Planned Investigation and Treatment Unit (PITU)' to improve the pre-procedure Length of Stay (LoS) which will go live in September 2019 but currently this remains an area of challenge.
- The trust reported emergency readmission rates of 7.83% in Q4 of 2018/19 against a national median of 7.73%. This places it in the third (second worst) quartile nationally.
- The Did Not Attend (DNA) rate in January to March of 2018/19 financial year was 9.83% against a national median of 6.96%. This places is in the bottom (worst) quartile nationally. This however an improvement from performance seen over the preceding 12 months where DNA performance in April to June of 2017/18 financial year was 15.66%. The organisation recognises this is an area for further improvement and is part of their Local Delivery Board objectives.
- They have engaged in Getting it Right First Time (GIRFT) and have a programme of comprehensive service reviews. Specific examples were demonstrated in Urology and Gastroenterology. They were also able to demonstrate how they have used model hospital to identify opportunities. The trust recognise that at this stage they have limited evidence of clinical improvements achieved through this engagement, but they expect this over the course of 2019/20 financial year. In 2018 the trust appointed a transformation and service improvement team to help drive this forward in the organisation.
- Super stranded patients was an area for improvement in 2018 report. All acute trusts were set a 25% reduction target from March 2018 levels by December 2018. While the trust did not achieve this by December 2018, by April 2019 they had successfully achieves a 27% reduction in the number of occupied beds for all discharged adult patients in hospital for over 21 days. The trust had the third best performance in London in this area.

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

- In financial year 2017/18 the trust had an overall pay cost per Weighted Activity Unit (WAU) of £2,101 against a national median of £2,180. This places it in the second (best) quartile nationally. Within this headline metric the trust's pay cost per WAU is better than the national median for Allied Health Professionals of £91 compared to the national median £130 but is worse than the national median for Medical and Nursing staff (£752 for nursing, national median of £710, and £572 for medical, national median of £533).
- The trust's pay costs in financial year 2018/19 were overspent by £4.6m and at June 2019 the pay costs are £615,000 (3.9%) over plan. The trust reports that much of this relates to agency spend in the first few months of the year and additional control measures have now been put in place including weekly bank and agency review meetings. At June 2019 the trust is £312,000 adverse to its agency ceiling plan. The trust was not successful at achieving its agency ceiling in financial year 2018/19 and overspent by £3.3m.
- The staff retention rate was 79.5% in December 2018 against a national median of 85.6%. This places the trust in the bottom (worst) quartile nationally. However, when compared to a London median of 81.7% performance is more comparable. The trust has highlighted that as at May 2019 staff turnover had reduced month on month since July 2018.
- Sickness and absence rate for November 2018 was 4.07% against a national median of 4.35%. This places it in the second best quartile nationally. The trust has seen a reduction in sickness absence to 3.9% in March 2019.
- As at May 2019 80% of the trust's consultants have a job plan complete.
- The trust has launched a programme of work called listening into action over 2018 and has seen significant improvements in the staff survey results. The Trust has improved in 73% (32 out of 44) of the staff survey questions compared to 2017.
- Electronic rostering is embedded across the nursing workforce. There are governance processes in place which monitor several key metrics including roster approvals and finalisation metrics, weekly authorised leave analysis by type and sickness absence. However, this has not reflected improvement in reductions in temporary staffing and in July 2019 the trust introduced a Bank and Agency Review Group to gain control over temporary staffing spend.

- In addition, the trust had conducted an establishment review in 2018 however the trust could not demonstrate compliance with the Developing Workforce Safeguards Guidance (2018) for safe staffing reviews. The trust are conducting a review in August 2019.
- The trust has implemented electronic rostering across the Allied Health Professionals (AHP) workforce. However Medical electronic rostering has not been implemented but is planned for completion in financial year 2019/2020.

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

- The trust has performed well against the of the top ten medicines savings target as at March 2018 achieving 120%. Medicines cost per WAU in financial year 2017/18 was £306 against a national median of £309. This places it in the second (best) quartile nationally. The trust also performs well against pharmacy time spend on clinical activity for financial year 2017/18 which is 97% against a national median of 76%. This places it in the first (best) quartile nationally. The trust is one of the 37 selected hospitals in the ARK trial which aims to reduce antimicrobial consumption within the trust.
- The trust outsources its pathology services to Health Services Laboratories (HSL) (a public-private joint venture). The trust's overall cost per test compares favourably and for financial year 2015/16 (most recent data available) is £0.84 against a national median of £2.12. This places it in the first (best) quartile nationally.
- The trust's radiology cost per report in financial year 2016/17 is £32.4 against a national median of £50.1. This places it in the first (best) quartile nationally. The service has continued to support new separate one stop services for breast, prostate and haematuria. The trust does not have any MRI, CT, or static X-ray machines over 10 years old. It is slightly above the national mean for mobile X-ray and Ultrasound (non-obstetric) machines but a schedule of replacement of equipment has been approved in relation to capital expenditure within the trust.
- Pathology services are outsourced with confirmed efficiencies built into the contract. A demand management programme was set up in December 2017 to reduce duplicate testing and variation. This work delivered a savings of £100K over the last reporting year.

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

- For financial year 2017/18 the trust had an overall non-pay cost per WAU of £1,341 compared with a national median of £1,307. This places it in the third (second worst) quartile nationally.
- The cost of the finance function for financial year 2018/19 is £628,520 per £100m of turnover against a national median of £704,540. This places it in the second quartile nationally.
- The cost of the Human Resources (HR) function for the financial year 2018/19 is £1.18m per £100m turnover against a national median of £1.09m. This places it in the third quartile nationally. The trust has deliberately invested in HR and in 2018 launched a new workforce strategy under the headings 'culture, capability and capacity'.
- The trust's Procurement Process Efficiency and Price Performance Score for October to December of financial year 2018/19 is 58 against a national median of 66. This places it in the third quartile nationally. The trust have however shown improving performance in their procurement performance and have improved from 108th in the procurement league table in financial year2017/18 to 91st in December 2018.The procurement services perform favourably against a number of metrics such as 100% of non-pay spend on Purchase Orders compared to national median of 92.2% (in December 2018), accreditation at level 1 procurement standards compared to a national median of level 2 (in December 2018) and, 98.4% of transaction on electronic catalogue compared to a national median of 95.1% (in December 2018).
- The procurement function successfully over delivered its Cost Improvement Programme (CIP) in financial year 2018/19 delivering £3.1m CIP against a plan of £1.5m. The procurement function is delivered through a shared service hosted by The Whittington Hospital NHS trust and also providing services to Royal Free London NHS Foundation trust.
- The trust's estates and facilities (E&F) cost per m^2 for the financial year 2017/18 is £498 compared to a national median of £342. This places it in the fourth (worst) quartile nationally. The hard facilities management (FM) cost per m^2 for the financial year 2017/18 is £129 against a benchmark (the median of pre-set estates peer group as defined through the Estates Returns Information Collection return) of £80 and a peer median (for London) of £86 The soft facilities management (FM) cost per m^2 is £149 against the benchmark of £153 and a London median of £117. The trust has one main site which is a Private Funding Initiative (PFI). This is reflected in the low level of backlog maintenance. For financial year 2017/18 the trust has backlog maintenance of £104 per m^2 against a benchmark of £182 per m^2 and the London median of £201 per m^2. The trust also performs well against a range of estates metrics including privacy, dignity & wellbeing – apart from the scores for cleanliness and food in financial year 2017/18 where

the trust shows scope for improvement. For cleanliness the trust scores 95.2% against the benchmark of 98.6% and the London peer median of 98.9%, and for food a score of 82.9% against the benchmark of 89.1% and a London median of 90.2%. The estates and facilities function broadly delivered its CIP plan in financial year 2018/19 delivering £0.4m against a plan of £0.5m.

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

- The trust reported a deficit (including Provider Sustainability Funding - PSF) of £3.2m in the financial year 2018/19. Excluding, PSF the deficit position of the trust was £17.6m. However, this exceeded the trust's Control Total (CT) by £6.3m including PSF and by £1.4m excluding PSF. The trust has accepted its Control Total for financial year 2019/20 and as at June 2019, is on plan to deliver their financial outturn. Failure to achieve the financial plan in financial year 2017/18 was noted as an area for improvement in the 2018 report and so it was positive to see this has been achieved.
- The trust's reported and underlying position has shown marked improvements over the past 12 months. Excluding PSF the financial year 2017/18 reported deficit was £29m and in financial year 2018/19 this improved to £17.6m. The plan for financial year 19/20 is for a further improvement to £14.2m (excluding PSF). The underlying deficit has also improved over this period. In financial year 2017/18 the underlying deficit was £21.1m, in financial year 2018/19 this improved to £18m and the plan for financial year 2019/20 is for a further improvement to £10.9m (3.3% of turnover).
- The trust planned a CIP programme of £15m (4.5% of operating expenditure) in financial year 2018/19, but only delivered £11.8m (79% against plan and 3.5% of operating expenditure). This financial year 2018/19 CIP delivery was also supported by an unplanned non-recurrent upside of £1.3m.
- £14.5m (97%) of the financial year 2018/19 CIP was planned to be recurrent but the trust failed to deliver this level of recurrent CIP. Only £9.7m of the £11.8m of CIP delivered was recurrent. This represents 82% of the CIP actually delivered (£11.8m) and 67% against the original plan (£14.5m).
- In financial year 2019/20 the at June 2019 the trust is behind plan for CIP delivery by £121,000. The trust also has £3.4m (28%) of unidentified CIP.
- The trust is in receipt of revenue funding from the Department of Health and Social Care due to its deficit. In financial year 2018/19 it planned and reported at year end a financial risk rating of segment 4 (lowest segment) for its capital service metric. This illustrates the high level of debt the organisation has (c.£100m PFI debt and £70m borrowings from the Department of Health and Social Care). For its liquidity rating however, the trust was able to finish financial year 2018/19 performing favourably to plan. The trust had planned to be segment 3 but due to a higher than planned cash balance the trust reported a segment 1 financial risk rating for liquidity. The trust has provided evidence which shows that at the end of June 2019 the 12 month rolling borrowing position is a small net repayment of £62k. This includes loan repayments of £19m over the period. For March 2019 the trust's performance against the Better Payment Practice Code was not compliant but was above the national acute trust average for both NHS (86% versus 69% national acute average) and non-NHS payments (85% versus 79% national acute average). All these factors indicate that although the trust is in receipt of revenue funding from the Department of Health and Social Care and has a high level of debt it is managing its cash balances well.

Outstanding practice

- The trust has launched a programme of work called listening into action over 2018 and has seen significant improvements in the staff survey results. The Trust has improved in 73% (32 out of 44) of the staff survey questions compared to 2017. When compared to the 43 acute trusts using 'Picker', the Trust is the second most improved.
- The trust performs well against pharmacy time spend on clinical activity for financial year 2017/18 which is 97% against a national median of 76%. This places it in the first (best) quartile nationally.
- The trust has performed well against RTT and has achieved this target over the past 12 months. In April 2019 the trust's performance was 93.77% against a national median of 86.48%. This places it in the first (best) quartile nationally

Areas for improvement

- Pre-procedure non-elective and elective bed days is an areas of challenge for the trust. It is hoped the actions including the Hot Floor and Planned Investigation and Treatment Unit (PITU) in September 2019 will support improvements in this area.
- DNA rates and emergency readmissions are two areas were the trust struggles and does not perform favourably compared to national benchmarks.
- The trust is not currently able to demonstrate the improvements achieved through engagement with the GIRFT programme. There is a programme of comprehensive service reviews taking place over late 2018 and 2019 and in conjunction with the newly appointed service improvement and transformation team should support improvements.
- Like many providers CIP delivery remains a challenge for the trust. The trust appointed a substantive service improvement & transformation team during 2018 and is focussing on identifying and delivering transformational and innovative schemes in financial year 2019/20. The financial year 2019/20 CIP plan is challenging and will require continued focussed effort to achieve.
- The trust recognises its digital capability is a key area for improvement. The trust is investing £12m over the next three years as part of its clinical strategy to optimise the use of resources and improve information systems to deliver improved health outcomes and quality of care.

Ratings tables

Key to tables					
Ratings	**Not rated**	**Inadequate**	**Requires improvement**	**Good**	**Outstanding**
Rating change since last inspection	Same	Up one rating	Up two ratings	Down one rating	Down two ratings
Symbol *	→←	↑	↑↑	↓	↓↓
Month Year = Date last rating published					

***** Where there is no symbol showing how a rating has changed, it means either that:

- we have not inspected this aspect of the service before or
- we have not inspected it this time or
- changes to how we inspect make comparisons with a previous inspection unreliable.

Ratings for the whole trust

Service level

Safe	Effective	Caring	Responsive
Requires improvement →← Oct 2019	Requires improvement →← Oct 2019	Good →← Oct 2019	Requires improvement →← Oct 2019

Trust level

Well-led	Use of Resources
Good ↑ Oct 2019	Requires improvement →← Oct 2019

Overall quality

Requires improvement →← Oct 2019

Combined quality and use of resources

Requires improvement →← Oct 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.