The Pennine Acute Hospitals NHS Trust

Use of Resources assessment report

Trust Headquarters, North Manchester General Hospital
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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	Good
Are services safe?	Requires improvement
Are services effective?	Good
Are services caring?	Good
Are services responsive?	Requires improvement
Are services well-led?	Good

Are resources used productively?	Requires improvement

Combined rating for quality and use of resources	Good

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

Our combined rating for Quality and Use of Resources summarises the performance of the 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

Service level				**Trust level**	
Safe	**Effective**	**Caring**	**Responsive**	**Well-led**	**Use of Resources**
Requires improvement Same Jan 2020	Good Up one rating Jan 2020	Good Same Jan 2020	Requires improvement Same Jan 2020	Good Same Jan 2020	Requires improvement None Jan 2020

Overall quality
Good Up one rating Jan 2020

Combined quality and use of resources
Good Up one rating Jan 2020

NHS Trust

Use of Resources assessment report

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

Proposed rating for this trust?	Requires improvement

How we carried out this assessment

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

We visited the trust on 13 September 2019 and met the trust's leadership team including the chief executive and the chair, as well as relevant senior management responsible for the areas under this assessment's KLOEs.

Findings

Requires improvement

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

- We rated the trust's use of resources as requires improvement.

- In 2018/19 the trust was unable to accept a control total and agreed a plan of £68.9m deficit, against which they delivered a £65.4m deficit. For 2019/20 the trust has signed up to a control total of £24.5m deficit, which it is on target to meet as at quarter 1. The improvement from 2018/19 to 2019/20 is primarily because of an increase of £33.3m in national support funding.
- The trust has a cost improvement plan (CIP) of £19.7m (or 2.7% of its expenditure) and is currently forecasting to deliver against its plans. They are currently planning to deliver 22.6% of their CIP non recurrently which is an improvement on the previous financial year.
- The trust has relatively low cash reserves and is reliant on short-term loans to maintain positive cash balances.
- The trust spends more on pay and other goods and services per weighted unit of activity (WAU) than most other trusts nationally. At £3,893, the trust's overall cost per WAU benchmarks in the highest (worst) quartile against a national median of £3,486. The trust has the 7th highest overall cost per WAU when compared to all non-specialist acute trusts across the country. This indicates that the trust is less productive at delivering services than other trusts by showing that, on average, the trust spends more to deliver the same number of services.
- Individual areas where the trust's productivity compared well included Delayed Transfers of Care, length of stay, pathology and some back office corporate function costs. Despite the trust being an outlier on some pharmacy metrics, they were able to demonstrate significant progress and improvements have been made over the previous 12 months, including for example, on Sunday on ward pharmacy hours and % of pharmacists actively prescribing.
- Opportunities for improvement were identified in clinical productivity, emergency readmissions, Did Not Attend rates, staff sickness rates and estates and facilities. In addition, it was noted further work is required to understand the drivers of the high pay costs. Furthermore, the trust has the 6th highest agency cost per WAU in the country, did not meet its agency ceiling for 2018/19 and is forecasting to miss its agency ceiling in 2019/20. Despite reductions, the trust is also still spending more than the national average on agency as a proportion of total pay spend.

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

- At the time of the assessment in September 2019, the trust was not meeting the constitutional operational performance standards for Accident & Emergency (A&E), Referral to Treatment (RTT), Cancer or Diagnostic waiting times.
- A&E performance for July 2019 was 84.3% with the highest performance in the preceding 12 months at 88%. The trust highlighted that the conversion rate from A&E attendance to admission remains low. For RTT, performance in June 2019 was 86.5% and for the previous 12 months performance had been between 84.7% and 86.9%. For June 2019, at 62.9%, Cancer performance (62 days) was below the 85% standard. Diagnostic performance has been variable over the preceding 12 months and the trust had met the target of 1% only once during this period.
- Patients are more likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 8.68%, emergency readmission rates are above the national median of 7.73% as at quarter 4 2018/19. The trust noted the main specialities driving this performance were mental health, paediatrics, cardiology, diabetes and geriatrics. The trust were able to demonstrate a number of initiatives in place to reduce readmissions, for example: a HEAT car, whereby occupational therapists are seeing patients in their own homes to avoid admission into the acute setting, trusted assessor roles in care homes and OASIS, a bespoke dementia unit.
- Fewer patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England. On pre-procedure elective bed days, at 0.12, the trust is performing in line with the national median (0.12, quarter 4 2018/19). The trust noted at the North Manchester site, very few patients come in the day before surgery, with a few exceptions for those patients requiring bowel prep or those having long head or neck procedures.
- On pre-procedure non-elective bed days, at 0.74, the trust benchmarks in the second highest (worst) quartile when compared to the national median of 0.66 (quarter 4 2018/19). Despite being over the median, the trust has seen improvements in this metric over the previous 12 months from 0.92 in quarter 4 2017/18. The trust noted this was supported by the work undertaken around SAFER and a reduction in the long length of stay. In addition, a trauma improvement group has worked on the efficiency of theatre lists, increased theatre capacity and medical optimisation for trauma patients.
- The trust reports a delayed transfers of care (DTOC) rate, at 3.1% for June 2019, that is lower than average and lower than the trust's own target rate of 3.5%. The trust has also seen improved performance in both stranded and super-stranded patients. The trust described the work of the urgent care collaborative as the main driver for these improvements.

- Overall the trust's average length of stay has reduced year on year. The trust described the impact of their programme approach with the Standard Operating Model, which focusses on driving productivity, continuously aiming to remove waste, reducing unwanted variation and increasing reliability. The trust described a number of key components that have impacted clinical productivity, including the Nursing Assessment and Accreditation System and the outpatients, theatres and pharmacy change programme.
- The Did Not Attend (DNA) rate is high at 12.87% for quarter 4 2018/19, with the trust benchmarking in the highest (worst) quartile when compared to the national median of 6.96% and the third worst in the country. The trust explained it has a strategic vision for outpatient reform and was able to articulate some of the contributing drivers for the high DNA rates including, switching off text reminders for patients 12 months ago and duplicate data recording. The trust was able to provide a number of good examples of programmes in place to reduce DNA rates going forward, including;
    - A reduction in the number of conditions where patients are discharged from A&E with a planned follow-up visit. The programme has identified 6 conditions that will not be called in for further follow-up.
    - The use of local knowledge to provide better clinic access based on the local population need, providing a better patient experience and therefore reduced DNA's.
- The has engaged well with the Getting It Right First time (GIRFT) programme and was able to demonstrate Clinician driven improvements in a number of specialities including Orthopaedics, Oral Surgery and Vascular.

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

- For 2017/18 the trust had an overall pay cost per WAU of £2,508, compared with a national median of £2,180, placing it in the highest (worst) quartile nationally. This means that it spends more on staff per unit of activity than most trusts. The trust noted that the 2017/18 data includes community services for North Manchester and Rochdale which could contribute to the overall high pay cost, however, no calculations had been done to determine the impact.
- The trust is in the highest (worst) quartile for Nursing cost per WAU at £853 compared to a national median of £710. The trust noted that this is also expected to increase as they introduce more innovative workforce models. For Allied Health Professional (AHP) cost per WAU, the trust benchmarks in the second highest (worst) quartile at £151 compared to a national median of £130. The trust reported it is still in the process of understanding the reasons behind this and believe it could be due to the under reporting of activity. At the Fairfield General Hospital and Rochdale Infirmary sites a programme is being rolled out to capture activity electronically rather than using the current paper based system.
- For this trust, the cost per WAU for medical staff has previously been difficult to determine due to the trust being lead employer for the junior doctors for Greater Manchester providers. At the time of the assessment in September 2019, the trust was no longer the lead provider and therefore, 2018/19 data will enable the trust to establish its position.
- The trust did not meet its agency ceiling of £20m as set by NHS Improvement for 2018/19, exceeding it by £19.8m (99.03%). However, it did meet its revised internal plan. The trust is forecasting to miss its ceiling in 2019/20. In addition, it is spending more than the national average on agency as a proportion of total pay spend (8.6% compared to national average of 4.4%). However, this has reduced from 10.0% in 2017/18, to 8.6% in 2018/19 and then to 7.0% in quarter 1 of 2019/20.
- The trust's agency cost per WAU for 2017/18 was £251 compared to a national median of £107, placing the trust in the highest (worst) quartile and as the 6th worst performing trust in the country. However, the trust noted it has achieved reductions in the cost of agency and locum staff through targeted overseas recruitment, converting long-term locum staff to bank, development of a detailed data suite to track agency spend, and working with NHS Professionals on a direct engagement model.
- The trust shared examples of successful measures to improve the vacancy position, such as the introduction of a rotational clinical fellow programme and successes in nursing recruitment in neonatal and gastroenterology services. The trust provided evidence of a reduction in vacancy rates at North Manchester Hospital from 22% to 8%.
- From a low baseline, the trust has focussed efforts on improving job planning coverage in the last 2 years, achieving 95% for medical staff in 2018/19. A new e-job planning tool has been introduced to support centralised oversight, reporting and capacity planning. The trust noted they are rolling out an acuity based staffing system for ward nursing throughout the trust, as already in use at Salford Royal. This system will be extended to AHP and specialist nursing staff.
- Staff retention at the trust shows room for improvement, with a retention rate of 83.2% in December 2018 against a national median of 85.6%. The trust have enrolled in the NHS Improvement nursing retention programme and have

seen some recent improvements (to 89.2% in July 2019). Amongst other initiatives to improve engagement, the Oldham Care Organisation have been piloting a "Kindness Collaborative" quality improvement programme. Internal indicators showed that staff engagement has improved by 17% from Q4 2018/19 to Q1 2019/2020 and the initiative will be expanded across the hospital group.

- At 5% in June 2019, staff sickness rates are worse than the national average of 3.96%, placing the trust in the lowest (worst) quartile. The trust have implemented a health and wellbeing strategy, especially focussing on mental health and MSK issues, however, it was noted these have not yet had an impact on staff sickness levels. The trust reported it is focussing on more effective management of long term absence and a new employee assistance programme is launching in October.

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

- The trust recognises the importance of clinical support services in delivering high quality patient care. This is reflected in collaboration with trusts within the region and an improvement against a range of metrics over the past twelve months. A Northern Care Alliance (NCA) wide Diagnostic and Pharmacy service was created circa 12 months ago between Pennine Acute Hospitals NHS Trust (PAHT) and Salford Royal NHS Foundation Trust (SRFT), bringing the two organisations together. A transformation board was created at this time to look at standardisation of services and to improve quality.
- The trust had consolidated Pathology already within the four trusts: North Manchester General Hospital, The Royal Oldham Hospital, Rochdale Infirmary and Fairfield General Infirmary. A Pathology Services Director has been recruited for both PAHT and SRFT and recruitment is underway for a Pathology Clinical Chair to enable a full and integrated service across the NCA.
- The trust is working collaboratively with the Greater Manchester Pathology Network to implement the recommendations from the Carter Review into operational productivity in the NHS of a hub and spoke delivery model at scale. The trust is very actively engaged in this programme both at a local delivery level and at the Network.
- For Pathology the overall cost per test was £1.94 against a national median of £1.86 in 2017/18. The trust noted work is being conducted to address this and the latest figures provided by the trust for 2018/19 show improvement to £1.88 per test against a national median of £1.92
- For imaging, the overall cost per report benchmarks in the second lowest (best) quartile at £45.37 compared to the national median of £50.05. The trust, however, is an outlier for Medical Role Vacancies – Consultant radiologists at 13.9% against a national median of 12.2% placing the trust in the lowest (worst) quartile.
- The trust noted it is in the process of launching a radiography academy to aid their recruitment and retention strategy. In addition, the trust is working with Greater Manchester partners on final stages of PACS procurement, which will enable radiology transformation at scale.
- The trust's medicine's cost per WAU for 2017/18 was £319 against a national median of £320, which places the trust in the second lowest (best) quartile. The trust demonstrated it has made significant progress over the last 12 months; as part of the Top Ten Medicines programme, the trust is making good progress in delivering on nationally identified savings opportunities, achieving £768.58K in 2018/19 and a further £695.28k has been delivered in the first quarter of 2019/20. Prescribing savings are reported and monitored through the Pennine Acute Drugs and Therapeutics Committee, through which biosimilar monitoring is also reported.
- The trust has made good progress in implementing switching opportunities for biosimilars, with the trust being the top trust in Greater Manchester for biosimilar switches. The trust noted this could be attributed to close working with the lead CCG and strong links between clinical and pharmacy teams.
- For 2017/18 the trust was an outlier on several metrics, which included: Number of days stockholding, pharmacy time on clinical activity, Sunday on ward clinical pharmacy hours of service, % pharmacists actively prescribing and total antibiotic consumption. However, the trust was able to demonstrate progress has been made in addressing these concerns for example: The Fairfield site commenced Sunday activity in June and recruitment is underway to deliver the remaining sites and the % of pharmacists actively prescribing has moved from 24% to 56% in most recent data presented.
- The trust was able to demonstrate the use of technology to drive the productivity and efficiency of services for example; through the use of an electronic reporting tool (EPMA), to enhance safety on pharmacy prescriptions. The trust explained this tool prompts medication reconciliation, records allergies and omitted medicines. The tool is used to target patients on medical wards for medication reconciliation. The trust noted this has led to significant increases in compliance.

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

- For 2017/18 the trust had an overall non-pay cost per WAU of £1,384, against a national median of £1,307 placing it in the second highest (worst) quartile. This shows the trust spends more on other goods and services per unit of activity than most other trusts nationally.
- The cost of running its Finance and Human Resources departments are lower than the national median. The trust's finance function cost per £100m turnover, at £505.74k, benchmarks below the national median of £676.48k, placing the trust in the lowest (best) quartile.
- The trust's Human Resources (HR) function cost per £100m turnover, at £891.99k, benchmarks in the second lowest (best) quartile against a national median of £898.02k. Within this, Medical staffing costs benchmark high with £93.2k against a national median of £46.7k. The trust reports this is due to high medical agency use. In addition, the trust explained medical staffing was still working with paper timesheets, which was very labour intensive, and the trust is now moving to an automated method.
- The trust's number of days to recruit benchmarks high at 71.9 days. To overcome this, the trust noted it has consolidated the recruitment team in one location and automated requests for references were introduced on an online system.
- The trust's IM&T cost per £100m turnover was high for 2017/18 at £2.82m against a national median of £2.47m. The trust explained this is due to a high number of IT systems requiring support, together with a significant challenge associated with the legacy problem of out-of-date systems. The trust, in the past has employed a high number of agency IT staff, which has been reduced over the past twelve months.
- The trust's procurement costs per £100m turnover is low at £134.76k benchmarked against a national median of £206.25k. However, the trust believes that their procurement function is adequately resourced by combining the two teams at PAHT and SRFT (NCA) in a category management devised approach.
- The trust's procurement processes are relatively inefficient, reflected in the trust's Procurement Process and Price Efficiency score of 64.5, which placed it in the second lowest (worst) quartile when compared to a national median of 69 (Q4 18/19). Underneath this headline metric, the trust's process efficiency score (Q4 -18/19) was 23.8, which placed the trust in the bottom 10 in the country. However, the trust demonstrated significant improvements have taken place over the past 12 months and include the roll out of an e-procurement system from a previous paper-based system.
- In addition, the trust has made significant improvements in their pricing metrics. Evidence was shown to highlight the improvements the procurement team has made in the following areas: standardisation of Orthopaedic trauma, Orthopaedic hips and knees, examination and surgical gloves.
- The trust's supplies and services cost per WAU benchmarks high with a trust value of £371 against a national median of £365. The trust reported this is driven by CNST contributions.
- For Estates and Facilities, at £294 per square metre in 2017/18, the trust benchmarked in the second lowest (best) quartile against a national median of £342. The reported position for backlog maintenance cost per square metre for 2017/18 was £71 against a benchmark value of £254. However, the trust noted at the time of the assessment this was incorrect and stated the true position is £494 per square metre. The trust noted this will have a significant impact on the 2019/20 metric submission, however, explained it is as a result of an ageing and historic under investment by the trust. The trust demonstrated a programme of work is in place to address the backlog maintenance issues. Furthermore, critical infrastructure risk for 2017/18 was reported at £49 per square metre and it was recognised this figure will also increase for the 2018/19 submission. An emergency capital loan to the Department of Health and Social Care for £10m was approved to address some of the estates issues that were highlighted.
- There is a high percentage of 43% for non-clinical use of space for North Manchester. The trust explained this is due to the state of the Victorian buildings and the trust headquarters for PAHT being placed at North Manchester. Plans for the building are part of the comprehensive transaction plans with a programme on estates ready to go. These plans include detailed work around risks for example on fire safety and corresponding mitigating actions.

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

- The trust is in deficit and has an inconsistent track record of managing spending within available resources and in line with plans. The trust is financially unsustainable and is in the process of being transferred to Salford Royal NHS Foundation Trust and Manchester University NHS Foundation Trust as part of a transaction.

- In 2018/19 the trust was unable to accept a control total and agreed a plan of £68.9m deficit, against which they delivered a £65.4m deficit. For 2019/20 the trust has signed up to a control total of £24.5m deficit, which it is on target to meet as at quarter 1. The improvement from 2018/19 to 2019/20 is primarily because of an increase of £33.3m in national support funding.
- The trust has a cost improvement plan (CIP) of £19.7m (or 2.7% of its expenditure) and is currently forecasting to deliver against its plans. They are currently planning to deliver 22.6% of their CIP non recurrently which is an improvement on the previous financial year. The trust over delivered its planned savings in the previous financial year, delivering £23.9m against a plan of £21.1m, of which 49.6% were non-recurrent
- The trust has a number of key strategic schemes which are monitored via the portfolio board where the Senior Responsible Officer for the schemes attends, as well as the executive team. The trust also has a delivery management office which runs the day to day management of the programme.
- The trust has an underlying deficit of circa £60m, however, it was demonstrated they have a good appreciation of the drivers of the deficit and the operational drivers form part of their CIP programme.
- The trust has relatively low cash reserves and is not able to consistently meet its financial obligations and pay its staff and suppliers in the immediate term, as reflected by its capital service and liquidity metrics. The trust is reliant on £34.9m of revenue support for 2019/20. The trust noted it has a number of strategies they use to maximise cash and the audit committee monitors all long term debtors.
- The trust noted it has a costing team which works across the group structure and after a gap in providing information whilst they moved onto the same system, have recently launched a SLR steering group with multi-disciplinary team attendance reporting through to the Executive Strategic Finance and Information Committee.
- The trust is currently considering a number of options to maximise income; however, these are yet to materialise.
- In 2018/19 the trust spent £2.2m on consultancy fees, the majority of which was on Foureyes insight in relation to the trust's theatres, outpatients and endoscopy efficiency projects *which generated an in year efficiency gain of £1.6m, with an estimated full year effect of £10.4m*.

Areas for improvement

- The trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer, Diagnostic waiting times or Accident & Emergency (A&E) at the time of assessment.
- The trust's DNA rates are significantly higher than the national median, with the trust being the third worst in the country. The trust would benefit from further work to understand what the drivers of this rate are and continuing their efforts to reduce this.
- The trust's pay cost per WAU at £2,508, is significantly above the national median of £2,180. The trust would benefit from further work to understand the drivers behind the pay costs, particularly for AHP staff.
- The trust is exceeding its agency ceiling by £19.8m (99.03%) for 2018/19 and is forecasting to miss its ceiling in 2019/20. The trust is spending more than the national average on agency as a proportion of total pay spend and has the 6th worst performing agency cost per WAU in the country.
- Despite some initiatives in place, the trust's sickness absence rates are above the national median and further work to reduce these would be valuable for the trust.
- The trust needs to ensure that all IT and estates related risks are being managed and investments are made in these areas to address the risks.

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 ➔➔ Jan 2020	Good ↑ Jan 2020	Good ➔➔ Jan 2020	Requires improvement ➔➔ Jan 2020	Good ➔➔ Jan 2020	Requires improvement Jan 2020

Overall quality

Good ↑ Jan 2020

Combined quality and use of resources

Good ↑ Jan 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.