East and North Hertfordshire NHS Trust

Use of Resources assessment report

Lister Hospital, Coreys Mill Lane
Stevenage
Hertfordshire
SG1 4AB
Tel: 01438314333
www.enherts-tr.nhs.uk

Date of publication: 18/12/2019

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

Ratings

Overall quality rating for this trust	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 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, responsive and well-led as requires improvement, effective and caring were rated as good.
- We rated eight of the trust's services as requires improvement and two as good. In rating the trust, we took into account the current ratings of the five services not inspected this time.
- Not all services controlled infection risks well and medicines were not consistently managed well across the trust. These were similar to concerns we found at our previous inspection. Whilst the trust had taken some actions to make improvements, these were yet to be embedded.
- The trust had made improvements to their governance systems and structures which were yet to be embedded across all areas
- Significant changes in leadership at various levels meant that there was a lack of pace in embedding new processes and practices.
- The trust was rated Requires Improvement for use of resources. Full details of the assessment can be found on the following pages.

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Date of inspection visit: 23 July to 11 September 2019
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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 .

We visited East and North Hertfordshire NHS Trust ('the NHS trust') on 6 August 2019 and met the NHS trust's executive team (including the chief executive), a non-executive director (in this case, 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 Use of Resources as requires improvement because whilst the NHS trust is performing well in some areas, there are other areas where further work is needed to enable it to provide high quality, efficient and sustainable care for patients.

- The NHS trust is not meeting the constitutional operational performance standards for cancer diagnosis, referral to treatment and accident and emergency, although an improving trend is evident and the NHS trust is performing well in maintaining low levels of emergency re-admission rates, pre-procedure bed days and delayed transfers of care.
- The NHS trust is in deficit and has a track record of failing to deliver its financial plans. However, it is planning to deliver a surplus by the end of the 2019/20 financial year and is on track to deliver this as at August 2019.
- The NHS trust is unable to maintain positive cash balances without the need for interim support, although this position will start to improve if it delivers its 2019/20 financial plan.
- The Trust spends less on workforce per unit of activity and makes good use of e-rostering and job planning, however staff retention and sickness levels are higher than average. Agency expenditure is within the national ceiling and new and innovative workforce models are being introduced to support clinical services to patients.
- The NHS trust's procurement service benchmarks poorly for process and efficiency. The cost of the trust's human resources and finance functions are higher than average.

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 August 2019, the NHS trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer and Accident & Emergency (A&E), although an improving trend was evident. The Trust's performance for RTT was 85.38% against a benchmark value of 92%. For Cancer – 62 day from GP referral the Trust was performing at 79.26% against a benchmark of 85%. The A&E 4 hour target performance was 86.11% against a benchmark of 95%. There was clear evidence of the grip that the NHS trust has gained over the performance since the last assessment, and improvements to patient pathways have been made or are planned. Improvements included for example, the introduction of a 'Hello' nurse in the ED department, virtual clinics and ambulatory pathways, introducing a same day emergency care pathway in August, increasing frailty services and capacity and demand work that has been undertaken in partnership with the NHS England and NHS Improvement ICST team. The NHS trust was also able to demonstrate an improved ambulance handover delay time.
- Patients are less likely to require additional medical treatment for the same condition at this NHS trust compared to other trusts. At 4.88%, emergency readmission rates are significantly below the national median of 7.73% at Q4 2018/19. The NHS trust attributes this to improved discharge planning processes, outreach relationships with community staff and General Practitioners, alongside trust supported patient follow up calls on discharge. The NHS trust also described the introduction of a predictive data analytic tool, and the NHS trust is currently assessing how this can be applied to processes and embedded in order to make service improvements.
- Fewer patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England.
  - On pre-procedure elective bed days, at 0.11, the NHS trust is performing in the second lowest (best) quartile when compared nationally – the national median is 0.12.
  - On pre-procedure non-elective bed days, at 0.63, the NHS trust is performing again performing in the second lowest quartile when compared nationally – the national median is 0.66.

The introduction of the same day emergency service pathway is one example of how the NHS Trust is aiming to reduce this further, but there is scope to work more closely with health economy partners.

- The Did Not Attend (DNA) rate for the NHS trust is high at 7.92% up until Q4 2018/19, but this had improved from 10.5% at the last assessment. The NHS Trust told us that patient text messaging is in place, but technical difficulties with the electronic patient record (EPR) system and operational difficulties with certain specialties, have meant that it is still higher than the national average of 6.96%.

- The NHS trust reports a delayed transfers of care (DTOC) rate that is lower than average at 383 days versus 579 nationally, this is 1.3% of bed days as at July 2018 and in the best quartile nationally. Integrated discharge teams and wrap around services are in place to support early discharges, but system-wide collaborative work is in the early stages. The NHS trust has introduced process improvements such as SAFER and 'Red to Green' on some wards and is using these as exemplar wards to support roll out across the Trust. The NHS trust has introduced ward liaison officers, ward-based pharmacists, patient status at a glance and executive-led long length of stay reviews to aid this. Over 14 day stays and over 21 days stays have reduced (21+ from 11% to 9%), releasing 24 beds across the NHS trust. Additionally, the use of the discharge lounge had increased from approximately 100 patients in July 2018 to 310 in July 2019.
- The NHS trust's engagement and grip on the 'Get It Right First Time' (GIRFT) programme has improved with close working relationships with their local GIRFT team and a clear internal reporting structure. As a result, the NHS trust has made improvements to its urology pathways, including one stop urology clinics and the introduction of Holmium Laser Enucleation of the Prostate. The NHS trust requested a second visit from the GIRFT Trauma & Orthopaedic team, which has helped with both sterilisation costs (theatre set rationalisation) and infection rates.
- Day surgery rates for the NHS Trust are almost at average against the national figure at 77.6% versus 77.8%, however two specialties standout as negative outliers: Head & Neck and Vascular. The NHS trust attributes these outliers to one being a very small service and the other an atypical service in terms of patient mix due to its status as a regional hub.
- The NHS Trust was able to articulate the areas that it considered to be fragile services and some work undertaken to stabilise these, for example dermatology has improved and sustained an increase in activity from approximately 200 appointments a month to 1000 per month.
- The NHS trust recognises that operational benefits expected from recent consultancy engagements have not been fully realised yet, due to technical difficulties with the implementation of a new EPR system. However, the NHS trust can articulate opportunities to improve theatre utilisation, patient flow and outpatient effectiveness, and the progress made to date in realising these, for example altering theatre schedules to better suit specialty demands and improving leadership.

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

- Overall the NHS trust's use of its workforce resources is better than national average. For 2017/18 the NHS trust had an overall pay cost per Weighted Activity Unit (WAU) of £2,078, compared with a national median of £2,180, placing it in the second-best cost quartile nationally. This means that it spends less on staff per unit of activity than most NHS trusts and foundation trusts.

- The NHS trust is in the best quartile for Allied Health Professional (AHP) and nursing costs per WAU, although it benchmarks in the third quartile for medical cost per WAU. The NHS trust is improving the productivity of its medical workforce by continuing to focus on medical recruitment, job planning and e-rostering alongside the introduction of innovative workforce models. The NHS Trust is making progress with the introduction of innovative workforce models in order to make more effective use of its medical workforce.

- The NHS trust met its agency ceiling as set by NHS Improvement for 2017/18 and is forecasting to meet its ceiling for 2019/20. In 2017/18 the NHS trust spent less than the national average on agency and locum as a proportion of total pay spend with agency staff cost per WAU of £98 in comparison to a national medium of £107 per WAU. Significant reductions in the use of agency and locum staff were achieved through effective substantive post recruitment, conversion of agency and bank workers to substantive posts, collective management of agency via the Hertfordshire and Bedfordshire consortium, tighter controls over the use of agency and locum staff and improved management of medical staffing through the introduction of e-roster for some medical staffing groups.

- The NHS trust's work with the innovative Hertfordshire and Bedfordshire consortium has also allowed the trusts involved to work collectively to get the best deals through joint tender exercises and by following common processes, which has delivered harmonised agency and staff bank rates and rate cap compliance in line with NHS Improvement requirements.

- The NHS trust has made good progress in the implementation of innovative workforce models across the Trust in nursing and AHP roles in order to release medical staffing time. These include reporting radiologists, advanced nurse and care practitioners, specialist nurses and registered nursing associates However, there are opportunities for increasing the new workforce models further in order to maximise the benefits, and the NHS Trust is working towards this.

- The NHS trust actively manages rotas to ensure there are safe staffing levels and are engaged in several activities to ensure the full utilisation of the skills and capacity available to them. The NHS trust is an exemplar trust for e-rostering for nurses and AHPs and use e-roster to manage the scheduling of nursing staff on a rolling basis six weeks ahead of time. The scheduling of most middle grade doctors is also managed via an e-rostering system and the NHS trust is currently extending this to consultant grade doctors and foundation year doctors.
- The vast majority of the NHS trust's consultants have a current job plan which sets out each consultant's agreed working pattern including on call commitments and supporting professional activities. The NHS trust is working to ensure that individual and team job planning has been completed across the organisation by the end of November 2019 with 26 out of 30 specialities already completed.
- There has been an improvement in staff retention at the NHS Trust during 2018/19, however there continues to be room for improvement, with a retention rate of 83.6% for the 12 months to 31 December 2018 against a national average of 85.6% for the same period. The NHS Trust is moving into a period of retention support work as a part of its clinical strategy implementation.
- At 4.80% for the year to December 2018, staff sickness rates are worse than the national average of 4.35%. The NHS trust implemented an electronic centralised absence reporting system in 2017, but this process has failed to deliver the outcomes hoped for and the Trust will return to line management responsibility for absence management in October 2019.
- Following the EPR implementation in September 2017, the NHS trust has not yet been able to maximise consultant productivity through improved job planning and theatre scheduling. Staff productivity has also been impacted due to limited visibility on appointments and clinics. The stabilisation of the EPR system and the introduction of a business intelligence (BI) system in July 2019 has improved the ability to maximise productivity opportunities and the NHS trust is beginning to use this new functionality to improve.

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

- The NHS trust has worked hard to rectify issues with patient management systems and certain areas of high cost. This is evident in improved metrics such as pharmacy stockholding and the cost of some medicines.
- It is not possible to benchmark pathology metrics as the NHS trust did not submit data to NHS Improvement. The NHS trust has a mixed economy of insourced and outsourced pathology testing, with the outsourced element being provided by another NHS organisation. This arrangement will be reviewed in 2020 with a shared procurement through the local pathology network planned. In terms of using pathology to drive efficiency, the NHS trust monitor turnaround times for histopathology, which are reviewed internally via a governance group. The NHS trust aims to understand delays to the provision of pathology results using a Lean approach. Pathology samples taken within the Emergency Department are processed via a dedicated system and monitored through a daily dashboard.
- The NHS trust is managing radiology and imaging services with a high level of consultant vacancies, (25% based on the NHS trust's latest data within Model Hospital). The NHS trust is working to make their employment offer more attractive including flexible working options, however currently there is a reliance on expensive in-sourcing and an outdated consultant reporting model. Radiology equipment is currently maintained in-house with all equipment owned by the NHS trust. There is an Asset, Risk and Capital replacement register kept, with contingency funds set aside within the capital programme in the event of catastrophic failures.
- The NHS trust's medicines cost per WAU is high when compared nationally at £485 per WAU to June 2019 compared to a national median of £407 per WAU. This cost is mainly driven by High Cost Medicines which are used more than average due to the NHS trust running a specialist Cancer Centre (Mount Vernon). High Cost Medicines are £341 per WAU compared to a national median of £264. The NHS trust's position on low cost medicines is much more competitive at £87 compared to a national median of £95.
- As part of the NHS Top Ten Medicines programme to reduce prescribing costs, the NHS trust has performed extremely well producing savings of £671,950 to June 2019, compared to a national benchmark value of £530,670. The NHS trust has also invested in ward-based pharmacists across 75% of wards with a plan of 80% next year. There are currently 14 non-medical prescribers within the pharmacy with plans to increase this to 23 by April 2020. Pharmacy stockholding days have also decreased from 31 days to 19-22 days.
- The NHS trust does not yet have a digital strategy but does have a commitment to improving operational processes and patient outcomes using technology. An example of this is the introduction of a trust wide BI tool which shows a combination of financial, operational, clinical quality, and workforce information in one place, and is available to all managers.

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

- The NHS trust still spends more than average on non-pay items but has improved on the prior year's performance on this. The total non-pay cost per WAU for 17/18 was £1,421 compared to a national median of £1,307. This is a significant improvement on 16/17 values which were £1,540 per WAU, however this remains in the highest quartile.
- The cost of running Corporate and Back Office Functions are higher than average across several areas. Some of this is warranted variation such as the Occupational Health Service. Some is unwarranted, such as the cost of recruitment, but this should be balances against the NHS trust's success in recruiting high quality nurses.
- Finance function costs are £0.81 million per £100 million turnover compared to a national median of £0.72 million. The NHS trust has renegotiated a significant financial services contract which will produce a £0.35 million per year saving.
- Human Resources function costs are £1.44 million per £100 million turnover compared a national median of £1.09 million. This includes £1.2 million of expenditure on international recruitment which has resulted in 110 new nurses for the NHS trust and around 20 doctors. The NHS trust also provides an Occupational Health service for a number of organisations within the local area which will inflate costs in this area without showing the associated income.
- The Trust IT costs are a significant outlier at £3.4 million per £100 million turnover compared to a national median of £2.47 million. However, this includes a high level of depreciation which may distort the comparison.
- The NHS trust is part of a shared procurement service within the local area however there is no shared catalogue, prices or volumes. The NHS trust is currently ranked 128 of 133 in the national Procurement League Table, which means there are only 5 worse performing trusts in the country for procurement process and efficiency. The NHS trust has, however, standardised many catalogue lines within its own portfolio.
- At £337 per square metre in 17/18, the NHS trust's estates and facilities costs benchmark slightly above the national average at £30 but significantly lower than peers at £380 per m2. Most individual metrics such as food and laundry benchmark very well. Backlog maintenance is £224 per square metre compared to a national median of £254, the favourable position attributed to significant estates investment (c.£150m) in recent years. Space utilisation is subject to constant review. A new 6 facet survey has been commissioned.

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

- In recent years the NHS trust has been in deficit and has not delivered its financial plans:
- In 2016/17 the NHS trust delivered an adjusted financial performance deficit of £29.5 million against a control total of £8.7 million deficit.
- In 2017/18 the NHS trust reported an adjusted financial performance deficit of £25.8 million against an original control total and plan of £7.7 million deficit.
- In 2018/19 the NHS trust reported an adjusted financial performance deficit of £12.9 million against an original control total and plan of £0.3 million deficit.
- For 2019/20 the NHS trust has a control total and plan of £0.5 million surplus, which it is on target to meet; as at August 2019 the NHS trust has reported a £3.8 million deficit which is in line with its plan. The NHS trust has made improvements to its accountability framework during 18/19, one of the aims of which is to support more effective financial performance management.
- The NHS trust has a cost improvement programme (CIP) for 2019/20 of £15.0 million (or 3.1% of its expenditure) and as at August 2019 is forecasting to deliver its plan. The NHS trust delivered £18.0 million of efficiency savings in 2018/19 which was 74% of its plan. Of the total savings of £18.0 million, £16.6 million (92.1%) related to recurrent schemes.
- The NHS trust is making use of external benchmarking information, including Model Hospital and other sources, to inform development of the efficiency programme. There is a good level of clinical engagement in the development of efficiencies, with strong links between the Clinical Strategy and the efficiency programme.
- The NHS trust has been reliant on loan finance in recent years to meet its financial obligations and pay its staff and suppliers in the immediate term, as a result of ongoing operational deficits. As at 31 August 2019 the Trust had total outstanding borrowings with the Department of Health and Social Care of £157.9 million, of which £110.4 million was provided for revenue and working capital support, and the balance of £47.5 million for capital investment. In 2019/20 the NHS trust plans to increase its overall loans, although is also planning to start to repay revenue loans during the latter half of the financial year.
- A rolling 12-month cashflow forecast is being maintained, and daily cash controls are operating. The NHS trust benchmarks higher the national average for debtor days (37 days compared to national average for NHS trusts and

foundation trusts of 31 days as at July 2019), and has taken steps to improve debt recovery processes and reporting during 2018/19. The NHS trust is broadly in line with national averages for creditor days (108 days compared to 110 days), and Better Payment Practice Code compliance is above the national average (90.7% by number, compared to the average for NHS trusts and foundation trusts of 70.9%).

- The NHS trust routinely undertakes service line profitability analysis (Service Line Reporting) and patient level costs. During the last 6 months the quality of analysis has improved and is widely available throughout the organisation through the BI system. Costing analysis has been used to inform business developments and support commissioning discussions.
- The NHS trust does not have a commercial income strategy and recognises opportunity for increasing commercial revenue. There are good processes in place for overseas visitor cost recovery.
- The NHS trust has made limited use of management consultants or other external support services during 2018/19 and 2019/20 and seeks only to do so where there is a clear business rationale and where the appropriate specialist skills are not available in-house.

Areas for improvement

- Although it is important to note an improving trend, the NHS trust is not meeting the constitutional operational performance standards for cancer diagnosis, referral to treatment and accident and emergency, and should continue to focus on improving performance in these areas.
- The NHS trust performs below average in relation to staff retention and sickness when compared with other trusts nationally.
- The Trust benchmarks poorly for procurement effectiveness. Finance and HR costs are higher than average. There is likely to be opportunity to improve effectiveness in back office functions through increased collaboration with partners.
- The Trust has a poor track record on delivery of financial plans, and the NHS trust should ensure it delivers its financial plan for 2019/20.
- The Trust should seek to improve the speed of debt recovery to reduce its debtor days.

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 →← Dec 2019	Good ↑ Dec 2019	Good →← Dec 2019	Requires improvement →← Dec 2019	Requires improvement →← Dec 2019	Requires improvement →← Dec 2019

Overall quality

Requires improvement →← Dec 2019

Combined quality and use of resources

Requires improvement

Dec 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.