Northampton General Hospital NHS Trust

Use of Resources assessment report

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

Ratings

Overall quality rating for this trust	Requires improvement
Are services safe?	Requires improvement
Are services effective?	Good
Are services caring?	Good
Are services responsive?	Good
Are services well-led?	Requires improvement
Are resources used productively?	Requires improvement
Combined rating for quality and use of resources	Requires improvement

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

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

Staff did not always feel respected, supported and valued as there was a culture of poor behaviour, especially towards more junior colleagues, and reports of bullying. Whilst the senior leadership team recognised this and had a range of actions in place these had yet to demonstrate a positive impact.

Relationships between some senior board members were strained and some colleagues felt this could make the board less effective.

The audit committee was not consistently operating effectively, there were examples of issues raised that lacked effective action over significant periods of time.

While leaders and teams identified and escalated relevant risks it was not always clear how the existing controls related to the risk as stated in the risk register.

Generally, staff knew who the senior leaders were, but told us their visibility varied from director to director.

However:

Leaders had most of skills, experience and abilities to run the service. Where members were new to the board or leadership roles there were arrangements in place to support them. The trust leadership team had knowledge of current priorities and challenges and were acting to address these.

The service had a vision for what it wanted to achieve and a strategy to turn it into action, developed with all relevant stakeholders. The vision and strategy were focused on sustainability of services and aligned to local plans within the wider health economy. The vision and values well-publicised and understood by staff.

There was a clinical strategy covering 2015-2020. It was recognised that a wider strategy was required, and a consultation for this was in progress. The trust had involved staff and had plans for consultation with external partners. The trust was working collaboratively with a neighbouring NHS trust to jointly develop specialist services and pathways, an estates strategy, and had appointed, or was recruiting shared senior leaders.

Staff were focused on the needs of patients receiving care. The service promoted equality and diversity in daily work and provided opportunities for career development.

Leaders mostly operated effective governance processes, throughout the service and with partner organisations. Staff were clear about their roles and accountabilities and had regular opportunities to meet, discuss and learn from the performance of the service.

There were effective arrangements for investigating, and learning from incidents, and there was a system for reviewing mortality.

Leaders and teams used systems to manage performance effectively. They had plans to cope with unexpected events. Staff contributed to decision-making to help avoid financial pressures compromising the quality of care.

The service collected reliable data and analysed it. Staff could find the data they needed, whilst some staff felt that data was not always presented in a format that enabled senior leaders to fully understand performance, make decisions and improvements it was noted that the trust was moving towards information that would clearly show changes over time. The information systems were integrated and secure. Data or notifications were consistently submitted to external organisations as required.

Leaders and staff actively and openly engaged with patients, staff, the public and local organisations to plan and manage services. They collaborated with partner organisations to help improve services for patients.

All staff were committed to continually learning and improving services. They had a good understanding of quality improvement methods and the skills to use them. Leaders encouraged innovation and participation in research.

Our rating of the trust went down. We rated it as requires improvement because:

- We rated safe and well led as requires improvement, and responsive, effective and caring as good. We rated two of the trust's eight core services as requires improvement and one as good. In rating the trust, we took into account the current ratings of the five services not inspected this time dating from 2017.
- We rated well-led for the trust overall as requires improvement.

NHS Trust

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Date of inspection visit: 11 June to 25 July 2019
Date of publication: 24/10/2019

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 NHS trust's performance against a set of initial metrics alongside local intelligence from NHS Improvement's day-to-day interactions with the NHS trust, and the NHS trust's own commentary of its performance. The team conducted a dedicated site visit to engage with key staff using agreed key lines of enquiry (KLOEs) and prompts in the areas of clinical services; people; clinical support services; corporate services, procurement, estates and facilities; and finance. All KLOEs, initial metrics and prompts can be found in the .

We visited the NHS trust on 4th June 2019 and met the NHS trust's executive team (including the chief executive), the chair and relevant senior management responsible for the areas under this assessment's KLOEs.

Findings

Requires improvement

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

We rated the use of resources at this NHS trust as Requires Improvement. The NHS trust has realised some productivity improvements, however there remain unmet efficiency opportunities within workforce and clinical services. Performance against constitutional operational standards also remains below national standards and national median. The NHS trust delivered the control totals and plan for 2018/19, with an improvement against the previous year. Its planning for further improvement to a breakeven position in 2019/20, however the level of efficiencies required to achieve the plan had not been fully developed at the of time assessment.

- For 2017/18 (the most recent data), the NHS trust has an overall cost per weighted activity unit (WAU) of £3,245 compared with a national median of £3,486, placing the NHS trust in the lowest (best) quartile nationally. This means the NHS trust spends less per unit of activity than most other NHS trusts.
- The NHS trust achieved its control total for 2018/19 of £27.7 million, which as a percentage of turnover was a marginal improvement against the previous year. The position after PSF at £14.4 million deficit (4.4% of turnover) was better than the control total, and a larger improvement against the previous year (7.66%).
- For 2019/20, the NHS trust agreed its control totals, and is planning for an improved position of £22.8 million deficit before PSF, FRF and MRET (6.99% of turnover), and a breakeven position with the additional funding. However, at the time of the assessment the NHS trust had not identified the level of savings required to deliver the plan.
- Overall use of temporary staffing and agency spend is high compared with other NHS trusts, with agency expenditure exceeding the ceiling set by NHS England and NHS improvement in 2018/19. Staff retention has declined in recent months and sickness absences increased.
- The NHS trust has been successful in recruiting to medical staff vacancies, and as a result has one of the lowest medical vacancy rates nationally. The NHS trust expects this will support the reduction in agency spend. The NHS trust was also able to maintain the nursing vacancy rates at national average, whist increasing the number of nursing posts in 2018/19. It has been awarded Pathway to Excellence accreditation, which recognises the support and development of nurses and the teams around them, to provide excellent care
- Some clinical services productivity metrics show improvement, however compared to other NHS trusts, the NHS trust's performance suggests there remains several unmet efficiency opportunities. Elective procedure bed days have improved indicating better use of elective bed capacity, however emergency readmissions, pre-procedure non-elective bed days and Did not Attend (DNAs) rates, all indicate there is scope to improve use of emergency beds and clinic capacity. Performance against the constitutional operational standards is mostly below national standards and national median.
- The NHS trust is making further improvements in clinical services which include emergency patient flow transformation programmes, with investment in emergency assessment services and bed capacity. It also redesigned the medical workforce model to support quicker assessments and decisions regarding patient care. The impact of these improvements on performance standards and productivity metrics is yet to be realised.
- The NHS trust is developing the use of alternative roles, with integration of nursing associates, reporting radiographers, and prescribing pharmacists in its workforce model. Benefits realised include resilience of ward staffing, improved capacity for plain film reporting and prescribing capacity, with the latter helping to release medical staff time to undertake more clinical work.
- There is some use of technology within support services to increase capacity and drive down costs. Examples include; process automation in pathology (which has supported improved turnaround times and reduced unit costs), use of Electronic Prescribing system to support medicines optimisation, and use of remote working infrastructure to support optimisation of radiology staff. The NHS trust is part of the East Midlands Radiology Network (EMRAD), which allows it access to modern technology.
- Corporate services running costs compare well for some areas such as Human Resources, while others such as Information management and Technology (IM&T) are significantly higher than other NHS trusts nationally. The NHS trust cited additional investment in IT security as the main driver of high IM&T cost. There is some evidence of collaborative work in payroll, occupational health and procurement. The NHS trust also compares well in the procurement league table, however there is scope to realise more benefits of scale through consolidation of procurement information with collaborative network partners.
- The Cost of the Estates and Facilities appears low, however the NHS trust has built up a high maintenance backlog, which is contributing to high ongoing maintenance costs. It has developed. A five-year estates maintenance plan has been developed to address the backlog.

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

The NHS trust has achieved some productivity improvements across its clinical services however, compared to other NHS trusts there remains scope for further improvement.

- At the time of the assessment (June 2019), the NHS trust was meeting the 62-day cancer screening referrals national standard. Performance for the other constitutional operational standards were below national standards and national median.

- For the period January 2019 to March 2019, the NHS trust's 30-day emergency readmission rate of 10.73% is above the national median of 7.73%. This means that patients are more likely to require additional medical treatment for the same condition at this NHS trust compared to other providers nationally. The NHS trust indicated that patients returning to ambulatory care services for treatment are currently recorded as readmissions, therefore contributing to the high rate.
- The NHS trust's audit of readmissions also revealed other contributory factors such as, high emergency readmissions for patients with chronic obstructive pulmonary disease (COPD) and urinary tract infections (UTI). The NHS trust now has a team caring for patients with COPD, who are seen in the community as well as hospital to reduce readmissions. Further work is required to understand reasons for higher readmission rates for patients with UTI's.
- The NHS trust has developed a clinically led transformational programme 'Fixing the Flow' over the last 12 months to improve emergency patient flow. The programme has accomplished the opening of a 60-bed assessment unit and increased Consultant presence within that unit, to improve timely assessment of patients and appropriate discharge. The NHS trust recognises that it still needs to fully implement criteria led discharge and continue the focused effort on weekend discharges. Further work is required with system partners to further develop robust discharge processes particularly around the frail elderly and improve the overall DTOC rate at 4.3% (June 2019), which is higher than national average.
- As at December 2018, fewer patients are coming into hospital prior to elective treatment compared to most other hospitals in England,. On pre-procedure elective bed days, at 0.06, the NHS trust is performing in the lowest (best) quartile when compared nationally (the national median is 0.12). The NHS trust has a policy of bringing all patients in on the day of surgery unless there are exceptional circumstances which warrant earlier admission. For pre-procedure non-elective bed days (0.68), the NHS trust's performance is in line with the national median (0.69) and shows some improvement over the last 12 months. The NHS trust also provided evidence to show an improvement in the percentage of hip fracture patients treated within 36 hrs. The NHS trust has achieved this through improving access to diagnostic services and theatres, with additional emergency capacity created to reduce waits.
- The Did Not Attend (DNA) rate is 8.96% which is above the national median at 6.96%. The NHS trust centralised outpatient's administration functions to improve utilisation of clinic slots and patient experience. The NHS trust is also improving effectiveness of existing initiatives such as text reminders, virtual clinics and pre-attendance assessments.
- The NHS trust has actively engaged with the national 'Getting it Right First Time' (GIRFT) programme for services within five specialities. It has implemented some GIRFT recommendations which involve changing clinical practice to drive improvements for instance, the introduction of a dedicated diabetes nurse which has reduced length of stay and improved patient experience. There is scope for the NHS trust to further utilise GIRFT recommendations to deliver more productivity improvements across its services.

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

The NHS trust has worked to improve its recruitment of medical staff and has demonstrated the use of some alternative roles in developing a more sustainable workforce model. Overall use of temporary staff and agency spend remain higher than most NHS trusts, and there is scope to improve the workforce deployment processes for substantive staff.

- For 2017/18, the NHS trust had an overall pay cost per WAU of £2,085, placing it in the second lowest (second best) cost quartile nationally. This means that it spends less on staff per unit of activity than most NHS trusts. For this period the NHS trust is in the second lowest (second best) quartile for medical cost per WAU at £491 and nursing at £660, and in the lowest cost (best) quartile for AHP cost per WAU at £104.
- Expenditure on agency staffing for 2018/19 was 5.61% of the total pay bill, which is a marginal improvement from the previous year, but remains higher that national average of 4.50% and exceeded the agency ceiling set by NHS England and NHS Improvement. The NHS trust uses agency staff to cover vacancies and sickness absences, to provide one to one patient care when required, and to staff temporary emergency bed capacity.
- The NHS trust has initiatives in place to control agency spend which include, a focus on recruitment and retention of substantive staff, robust processes for authorisation of agency use, and incentivised bank working to reduce reliance on agency staff. The NHS trust introduced a bonus scheme for trained nurses in 2016 with an aim of converting staff from agency to bank, to which it attributes the higher bank fill rates for registered nurses (75% bank and 25% agency). The NHS trust also acknowledges there are weaknesses in the current workforce deployment processes, which is adversely impacting on agency spend.

- The NHS trust reported using e-rostering for substantive workforce deployment and covering all categories, except for medical staff. The NHS trust is currently piloting e-roster with medical staff in the emergency department. Evidence provided by the NHS trust indicated early sign off rosters (6- weeks) for registered nursing staff, with 100% compliance, however other metrics to demonstrate efficiency and effectiveness of the e-rostering process were not provided.
- The NHS trust has made significant progress in recruiting medical staff, with the number of vacancies reducing from 66 Full Time Equivalent (FTE) in April 2018 to 22 FTE in March 2019, which enabled the NHS trust to achieve medical vacancy rate of 3.3% (that is better than most NHS trusts). This has been realised through a targeted approach to recruitment, supported by a dedicated medical recruitment group. The NHS trust is working towards achieving a University hospital status, which it expects will further improve recruitment and retention of medical staff. The NHS trust has also achieved a reduction in nursing vacancies from 135.53 FTE in April 2018 to 113.98 FTE vacancies in March 2019, reporting a vacancy rate of 11.3% that is in line with the national average. This is in the context of an in-year nursing staff uplift of 91wte within emergency services.
- The NHS trust is investing in the trainee Nursing Associates programme, with three training cohorts supported to date. Each cohort has 14 trainees, with the first cohort to qualify being integrated in the NHS trust's ward staffing model. Other examples of new and alternative workforce roles in place include; reporting Radiographers (15% of NHS trust radiographer workforce) who complete 40% of the NHS trusts plain film workload and prescribing Pharmacists (37% of NHS trust pharmacists) who support the emergency department and outpatient clinics. The NHS trust also has nurse-led services in areas such as dermatology, gynaecology and endoscopy.
- The NHS trust commenced a full review of Consultant job plans in 2018/19, and at the time of the assessment (June 2019), 42.8% of job plans had been signed off. The approach taken aims to align job plans with service requirements and there is use of team job planning. National guidelines are also being applied in respect to the number of programmed activities within individual job plans.
- The overall staff retention has declined in recent months and at December 2018 the retention rate was 84.4%, which is below the national median and the second lowest (second worst) quartile. The NHS trust has retention improvement initiatives in place with a view to improving retention, particularly in relation to nursing. This includes; introducing an internal transfer process, revising the NHS trust's exit interview approach, providing career coaching, and review of policies to support retention, for example flexible working or retiring and return.
- The NHS trust is also the first nationally to be awarded Pathway to Excellence accreditation which recognises the support and development of nurses and the teams around them to provide excellent care. The NHS trust cited Pathway to Excellence (which incorporates the 6 standards of shared decision making, leadership, safety, quality, well-being, and professional development) as being fundamental to improvements in recruitment and retention of nursing staff. The monthly average leaver rate for nurses has reduced from 12.88 FTE in 2016/17 to 11.11 FTE in 2018/19.
- Sickness absence rates as at November 2018 was 4.58%, placing the NHS trust in the second highest (second worst) quartile nationally. The NHS trust has identified the main reasons for absences are associated with mental health and well-being. Interventions are in place to support staff and management through the development of support programmes such as building resilience workshops, mental health awareness for staff, mental health training for managers and mindfulness sessions together with counselling sessions for staff.

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

The NHS trust is using technology in its clinical support services to drive down cost of activity delivery, increase capacity and improve medicines optimisation. It has also been successful in recruiting to vacancies in radiology and is making use of alternative roles to provide additional capacity and support improvements in patient flow.

- The NHS trust is part of the East Midlands Radiology Network which has enabled the sharing of good practice and access to consolidated capacity. Other benefits include access to modern technology solutions including remote working infrastructure, which supports optimisation of the radiologist workforce. This has contributed to the NHS trust being able to reduce turnaround times and clear reporting backlogs.
- The cost of out of hours imaging services appears high compared to other NHS trusts. The NHS trust attributes this in part to hosting some services on behalf of other NHS trusts, for instance stroke. Other contributory factors include the drive to reduce turnaround times for urgent cancer pathways and vacancy cover also attributable to outsourcing due to inability to fully recruit in 2018/19.
- The NHS trust has recently been successful in reducing vacancies in radiology, which is a hard to recruit area. The NHS trust recruited three consultant radiologists and two clinical fellows. The NHS trust is part of the Royal College of

Radiologists overseas initiative, which supports ongoing workforce recruitment. It has established reporting radiographers in the workforce model to provide additional reporting capacity and has ongoing radiographer recruitment campaigns which involve working with universities and providing career development opportunities to graduates in the area.

- The overall cost per test at £1.46 is lower than the national median of £1.92. The NHS trust has achieved this through continued investment in technology, which has enabled it to automate processes and release staff time. This is also supported by a review of staffing FTE and skill mix, all of which have enabled the NHS trust to deliver increases in activity at reduced unit costs. The NHS trust demonstrated that in the last 12 months, it was able to deliver an 11% increase of tests conducted with a marginal impact on cost (1% increase). The NHS trust has also been able to repatriate activity and improve turnaround time performance.
- The NHS trust's Pharmacy staff and Medicines cost per WAU is just above the national median. As part of the Top Ten Medicines programme, the NHS trust delivered £2.10 million of the nationally identified savings opportunities in 2017/18, which is above the benchmark value. The NHS trust demonstrated ongoing implementation of best value biosimilar switching opportunities across a range of medicines, achieving a further savings of £1.8 million in 2018/19 and £0.4 million as at June 2019. The NHS trust benefits from these savings opportunities through gainshare arrangements with commissioners.
- Seven-day services have been implemented with daytime cover (10am-4pm) for weekends and Bank Holidays, supporting admission and discharge processes. The NHS trust has also invested in prescribing pharmacists (37%) who work in the emergency department, medical wards and some outpatient clinics, with benefits cited such as realising consultant time and improving patient flow.
- The NHS trust has an Electronic Prescribing and Medicines administration system to which its attributes benefits such as improved antimicrobial stewardship.

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

The costs of running Corporate services mostly compare well, expect for procurement and I&MT. Although the NHS trust ranks well on procurement league table, there are remain opportunities to be realised from the current procurement collaboration through sharing of information. Cost of running estates appears low, however the NHS trust has a high maintenance backlog which is contributing to higher annual maintenance expenditure.

- For 2017/18, the NHS trust had an overall non-pay cost per WAU of £1,1160 compared with a national median of £1,307, placing it in the lowest (best) quartile nationally.
- The costs of running Corporate services mostly compare well. HR is £718,850 per £100 million turnover compared to a national benchmark of £1.09 million, and the cost per payslip is £2.68 compared to a median of £3.27. The NHS trust attributes the low costs to process automation and favourable skill mix. The NHS trust also outsources elements of its payroll services and provides occupational health services to other local organisations, generating income.
- Other functions such as Legal services also benchmark lower than other NHS trusts (£0.07 million per £100 million turnover compared to a national benchmark of £0.09 million per £100 million turnover). The NHS trust has achieved this through a model of a small team supported by a commercial firm of solicitors with favourable payment terms. Legal spend is also consolidated centrally to better activity and spend.
- Finance function cost is in line with national median at £0.7 million per £100 million of turnover. Information Management and Technology (IM&T) function costs however benchmark above the national median, at £3.11 million per £100 million of turnover, compared to a national median of £2.47 million per £100 million of turnover. The NHS trust attributes the higher costs to the new data centre that the NHS trust invested in as part of its business resilience strategy.
- The NHS trust ranks well in the procurement league table with a score of 96 (scale 0-100) and a Price Performance Score of 77.3 (scale 0 – 100) and a Process Efficiency Score of 74.8 (scale 0-100), both in the best or second best quartile nationally. However, procurement function costs benchmark in the second highest quartile nationally and only 68.1% of non-pay spend was on contract compared to 85.5% for the national median (January to March 2019), indicating further opportunity to improve supplier management to gain better value.
- The NHS trust is working collaboratively with local partners in respect to procurement, however there remains further opportunities to secure more benefits through consolidation of procurement information systems. There is currently no shared catalogue and different IT systems are in use.

- Overall estates and facilities costs at £300 per square metre are below the benchmark value of £345 (2017/18), with both Soft and Hard facilities management costs below benchmark value. Total maintenance backlog however is higher than benchmark and contributes to the high maintenance costs. The NHS trust has acknowledged having had a more reactive approach to estates maintenance.
- The NHS trust assessed its maintenance backlog position as £28.3 million, with the information used to inform a five-year capital maintenance plan. The NHS trust has also identified critical infrastructure risk areas which are recorded on the NHS trust risk register. Additional capital funding over the next two years has been approved for a ward decant scheme to support essential maintenance work on wards and a new ITU/HDU.
- Benchmarking data indicates the NHS trust has high energy use compared to peers. The NHS trust has utilised an interest free loan scheme to implement initiatives which will reduce energy consumption, for instance improve insulation and use of LED lighting.

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

The NHS trust reported a financial position better than the control total for 2018/19 and an improvement against the previous year. The NHS trust is planning further improvement to its financial position in 2019/20, however it has not yet identified the full value of Cost Improvement schemes required to deliver the plan.

- For 2018/19, the NHS trust had a control total of £27.7 million deficit excluding PSF, and £18.5 million deficit with PSF. The NHS trust reported delivery of the control total excluding PSF and a position better than the control total with PSF (£14.4 million deficit, 4.4% of turnover). The reported position was an improvement from the previous year, as a percentage of turnover (7.66%).
- For 2019/20, the NHS trust has a control total and plan of £22.8 million deficit (6.99% of turnover) before PSF, FRF and MRET, and a breakeven plan with the additional funding. At the time of the assessment, the NHS trust was reporting achievement of the year to date plan, and forecasting full plan delivery, which will require the delivery of £13.6 million Cost Improvement Programme (CIP) (3.7% of expenditure).
- The NHS trust reported achieving above the planned CIP level for 2018/19, which was £14.4 million (4.1% of expenditure). The NHS trust reporting achieving £15.9 million (4.5% of expenditure) efficiencies, with 63% of which was recurrent in nature. For 2019/20, the NHS trust is planning to deliver a £13.6 million CIP target (3.7% of expenditure), and at the time of the assessment it had identified schemes to a value of £10.7 million and will be exploring other opportunities to cover the gap.
- The NHS trust assessed its underlying deficit position at end of 2018/19, as £32.2 million, with the deficit drivers being premium rates for agency staff, cost of procuring nursing bed for patients who require continuing care outside hospital, loan interest payments, and tariff shortfalls. The NHS trust expects the deficit to improve by £20.2 million in 2019/20 as a result of tariff uplifts, however it has not yet developed a plan to return to financial balance recurrently.
- Due to the historical deficit position, the NHS trust is reliant on additional cash support in the interim to consistently meet its financial obligations and maintain its positive cash balance, and the cumulative revenue borrowing as at March 2019, was £22.7 million. The NHS trust however has maintained achievement of the BPPC targets by value, at the time of the assessment (June 2019), the valid invoices paid within 30 days were 93% by number and 99% by value. The target is 95% for both.
- The NHS trust has developed service line reporting and provided evidence to demonstrate the use of benchmarking, costing and service line performance data to identify productivity improvement opportunities which contributed to the 2018/19 efficiency programme. The NHS trust however has not demonstrated regular use of service line reporting to monitor financial performance so has established a group, chaired by a Divisional Director, to lead on this.
- The NHS trust income performance for 2018/19 exceeded plan, however at the time of the assessment it is reporting income performance that marginally below its year to date plan. The NHS trust continues to improve activity capture processes which it expects will contribute to better income recovery. The NHS trust does not have any material commercial income streams.
- The NHS trust is not routinely reliant on management consultants and reported nil external consultancy expenditure in 2018/19.

Outstanding practice

None identified.

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS trust should continue working to ensure optimisation of its substantive medical workforce and reduce reliance on agency staff.
- This NHS trust should continue working to achieve further efficiencies from collaborative working with partners in its clinical and support services.
- The NHS trust should continue focusing on building internal capacity and capability to deliver trust wide workforce and service productivity improvements.
- The NHS trust should ensure the improvements that they make in pathways results in achieving better performance against constitutional operational standards.
- The NHS trust should ensure existing cost improvement initiatives achieve the expected reduction of its expenditure run-rate and overall cost base.
- The NHS trust should develop a plan to return to finance balance on recurrent basis
- The NHS trust should progress implementation of its five-year estates maintenance plan.

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	Good →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019

Trust level

Well-led	Use of Resources
Requires improvement ↓ 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.