West Suffolk NHS Foundation Trust

Use of Resources assessment report

Hardwick Lane
Bury St Edmunds
Suffolk
IP33 2QZ
Tel: 01284713000
www.wsh.nhs.uk

Date of publication: 30/01/2020

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?	Good

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 foundation trusts.

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

We rated combined quality and resources as requires improvement because:

- We rated safe, responsive and well-led as requires improvement; and effective and caring as good.
- We took into account the current ratings of the three core services at West Suffolk hospital not inspected at this time.
- We rated one service as inadequate and two services as requires improvement across the trust overall. We rated the remaining two acute services as good. We rated the three community health services as good.
- The overall rating for the trust's acute location went down.
- The trust was rated good for use of resources.

NHS Trust

Use of Resources assessment report

Hardwick Lane
Bury St Edmunds
Suffolk
IP33 2QZ
Tel: 01284713000
www.wsh.nhs.uk

Date of inspection visit: 24.09.2019 to 30.10.2019
Date of publication: 30/01/2020

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?	Good

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 foundation trust's performance against a set of initial metrics alongside local intelligence from NHS Improvement's day-to-day interactions with the NHS foundation trust, and the NHS foundation 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 .

Findings

Good

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

We rated the use of resources at this NHS foundation trust as Good.

The NHS foundation trust compares well (nationally), across most productivity metrics covered in this assessment, which indicates better utilisation of its workforce and facilities. It has a good track record of managing expenditure within its financial plans and has achieved its control totals for each of the last three years, however at the time of the assessment the NHS trust was reporting an adverse variance to its financial plan and had identified significant risks to achieving its control total for 2019/20, which largely due to demand and workforce related cost pressures.

- For 2017/18 (the most recent data), the NHS foundation trust has an overall cost per weighted activity unit (WAU) of £3,346 compared with a national median of £3,486, placing it in the lowest (best) quartile nationally. This means the NHS foundation trust spends less per unit of activity than most other NHS trusts.

- For 2018/19, the NHS foundation trust reported delivery of a £13.4 million deficit excluding PSF and £6.4 million deficit with PSF (2.52% of turnover). This was better than its control totals of £13.7 million deficit and £10 million deficit respectively.
- The NHS foundation trust reported achievement of its Cost Improvement Plan (CIP) in 2018/19 (£12.2 million, 4.6% of operating expenditure) and for 2019/20, the NHS foundation trust has a CIP of £8.9 million (3.4% of operating expenditure). As at August 2019, the NHS foundation trust was reporting full achievement against its year to date plan and forecasting full plan delivery.
- Overall use of temporary staffing and agency spend is low compared with other NHS trusts, with agency expenditure maintained below the ceiling set by NHS England and NHS improvement. The NHS foundation trust has worked to achieve high staff retention and low sickness absence rates and is in the top quartile nationally for these areas.
- The NHS foundation trust uses e-rostering to deploy its nursing and theatre workforce and has implemented e-job planning for the consultant workforce.
- The NHS foundation trust's performance against clinical services productivity metrics indicates that it has better utilisation of its bed facilities and outpatient services. Pre-procedure bed days and Did Not Attend (DNA) rates benchmark in the best performing quartiles nationally. 30-Day emergency readmission rates are also lower than most NHS trusts.
- The NHS foundation trust has been able to leverage its vertically integrated model to achieve further productivity improvements in its clinical services, for instance, it has an admission avoidance team with a rapid intervention vehicle to provide care in the community, and its 'support at home services' provide intermediate care for patients in their homes. These initiatives have reduced unnecessary admissions and improved patient flow.
- The cost of running clinical support services at the NHS foundation trust compare well, and it works in collaboration with other trusts to deliver pathology services, which is the national strategy for this area.
- The NHS foundation trust achieved the nationally identified savings target from switching to best value biosimilars in 2017/18, and it has continued to make further savings in 2018/19 and 2019/20.
- The NHS foundation trust is one of the 17 acute global digital exemplars, and it provided several examples of how it uses digital technologies and information to improve quality of care, which are detailed further in the report.
- Human Resources running costs compare well, and the NHS foundation trust has worked to modernise its HR function, through digitisation, achieving a paperless status.
- The NHS foundation trust has been at the forefront of driving price saving initiatives for clinical products, which have also benefited other NHS trusts locally.

However,

- For 2019/20, the NHS foundation trust has a control total and plan of £10.1 million deficit (4.11% of turnover) before PSF, FRF and MRET, and breakeven with additional funding. At the time of the assessment, the NHS foundation trust was reporting an adverse variance of £2.6 million against the year to date plan before PSF, FRF and MRET (August 2019), The adverse position is largely driven by pay overspends linked to demand in excess of plan.
- The NHS foundation trust has identified significant risks to achieving its control totals, which if not addressed will result in a £16 million adverse variance to its breakeven control total. At the time of the assessment (September 2019), the NHS foundation trust was still forecasting delivery of its breakeven plan and working through financial recovery opportunities both internally, and with system partners.
- The NHS foundation trust was not meeting the constitutional operational standards at the time of the assessment. Diagnostics performance has been adversely impacted by increased demand and equipment failures. The drive to improve 18-week wait referral to treatment performance is also contributing to workforce cost pressures, however the NHS foundation trust has received funding support from commissioners to address its backlog.
- The cost of running the Estates and Facilities is high compared to other NHS trusts, and the NHS foundation trust reported a high maintenance backlog and critical infrastructure risk. The NHS foundation trust has an aged estate which requires continuous address of integrity and structural issues. It is addressing its backlog through a rolling five-year estates capital investment plan, with prioritised investments based on multidisciplinary assessment. Regular reporting is provided to board in respect to estates related risks, mitigation and compliance.
- The NHS foundation trust's rank in the procurement league table of 84th out of 133 acute non- specialist NHS trusts, indicates that there is further scope to improve efficiencies of its procurement processes.
- The NHS foundation trust benchmarks worse than other NHS trusts in the use of pharmacists to support patient facing activities and radiographer reporting. Current actions in place to improve this position were highlighted, which included recruitment of advanced reporting radiographers, and training of pharmacy technicians, who will release pharmacists to take on patient facing activities. There are also plans to introduce 7-day pharmacy services by January 2020.

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

The NHS foundation trust has used its vertically integrated service model, which includes Acute and Community services, to drive improvements in discharge planning and patient flow. It has top quartile performance against clinical services productivity metrics and is engaging with the national GIRFT programme to deliver clinical productivity improvements. However, performance against the constitutional operational standards remains mostly below (worse than) national standard and national median.

- The NHS foundation trust was not meeting the national constitutional operational standards for Cancer, 18-week Referral to Treatment (RTT) and 6- week Diagnostics wait standards. RTT performance deteriorated in recent months and at 81.95% for September 2019, the NHS foundation trust's performance remained below (worse than) the national standard (92%) and national median (84.48%). The RTT backlog has increased over the last twelve months, and the NHS foundation trust is not meeting its agreed improvement trajectory. There has been some improvement in the 6- week Diagnostics wait performance since July 2019, however at 95.05% for September 2019, the NHS foundation trust's performance is also below (worse than) the national standard of 99% and median of 98.39%. Cancer performance has been variable over the last 12 months with no evidence of sustained improvement. The NHS foundation trust reported 80.69% against a national of 85% for Cancer 62-day wait from urgent GP referrals, and 82.76% against a national standard of 90% for Cancer 62-day waits NHS cancer screening service referrals.
- The NHS England and NHS Improvement intensive support team are supporting the NHS foundation trust's Cancer and diagnostics performance recovery. This has included a review of the hospitals demand and capacity. Diagnostics performance is a key challenge for the NHS foundation trust. An increase in referrals to endoscopy and CT services, and equipment failures have significantly impacted on performance in diagnostics. In addition, the IST review has included a review of diagnostics processes which has identified inefficiencies in the booking process which the Trust is working to rectify. RTT Backlog is being managed with additional financial support from the commissioners, specifically in relation to ophthalmology and Trauma and Orthopaedics challenges.
- The NHS foundation trust is vertically integrated providing both acute and community services, which supports the management of patients in the most appropriate care setting. It is planning for specialities such as respiratory and cardiac rehabilitation, to have single teams working across both services. To support joint working, the NHS foundation trust has made some joint appointments (to key roles) with primary care, social care services and commissioners. They include a local GP as deputy medical director for out of hospital services, and a Director of Integration who sits on the NHS foundation trust board and is funded by the Clinical Commissioning Group.
- Health and Social care discharge planning teams are located on the NHS foundation trust's site and work cohesively to support patient flow, with a trusted assessor model in operation. Their work is supported by other initiatives such as, Support to go home services, where reablement support workers employed by NHS foundation trust, support prompt discharge of medically patient fit patients, by providing intermediate care in their homes. These initiatives have helped the NHS foundation trust achieve a low delayed transfers of care rate (3.4%- September 2019), as well as improvements in length of stay.
- Since October 2018 there has been a fully integrated admissions avoidance team (operating in the community) with a rapid intervention vehicle in place which is staffed by specialist paramedics or emergency care practitioners. The team also has access to equipment and care workers, to provide intermediate care for patients at home. The team works with the NHS foundation trust's emergency department in the morning hours, to support assessment and transfer of patients to appropriate care settings. The NHS foundation trust has invested in a community matron and senior nurses to support the team's quality and safety. The NHS foundation trust reports avoidance of 87 admissions per calendar month, which has supported a 2% reduction in the overall year on year non-elective admissions (August 2019), despite an increase in non-elective demand.
- Patients are less likely to require additional medical treatment for the same condition at this NHS foundation trust compared to other NHS trusts. At 7.66%, 30- day emergency readmission rates are below the national median of 7.85% for the period July 2019 to September 2019.
- For the same period, pre-procedure elective bed days, at 0.03, benchmark better than the national median of 0.12, and in the best performing quartile nationally. This indicates that fewer patients are admitted in hospital prior to their elective treatment, when compared to other NHS trusts. Pre-assessment clinics are in place for all clinical pathways which has reduced the requirement for pre-procedure admission, and the NHS foundation trust operates a day case unit for 5 days a week, in separate building, which has reduced the incidences of cancellations due to bed capacity restrictions.
- Pre-procedure non-elective bed days, at 0.40, are also better than the national median of 0.66, and in the best performing quartile, indicating that non- elective patients spend less time in hospital waiting for procedures, when

compared to other NHS trusts. The NHS foundation trust attributes this performance to the implementation of the national red to green patient flow initiatives, and the additional weekend theatre capacity lists which has allowed Hip fracture patients to be operated within 36 hours of admission. For two consecutive years, the National Hip Fracture Database (NHFD) has ranked the NHS foundation trust top in the country for its management of patients with hip fractures.

- The Did Not Attend (DNA) rate for the NHS foundation trust at 3.6% for period July 2019 to September 2019 is better than the national median of 7.14% and in the best quartile nationally. The NHS foundation trust has a text and call reminder system in place for patient appointments in all specialities.
- The NHS foundation trust has actively engaged with the national 'Getting it Right First Time' (GIRFT) programme for services across 9 specialities. GIRFT recommendations have been utilised to make changes to clinical practice and drive improvements. For instance, in Urology, changes in clinical practice have resulted in a one-day reduction in Length of stay for patients who have had transurethral resection of the prostate (TURP) procedures.

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

The NHS foundation trust demonstrates good performance in managing sickness absences and recruiting and retaining staff, and its overall use of temporary staffing is lower than most other NHS trusts. The NHS foundation trust recognises that there are opportunities to further improve deployment and utilisation of its medical workforce.

- For 2017/18, the NHS foundation trust had an overall pay cost per WAU of £1,971 compared with a national median of £2,180, placing them in the lowest (best) cost quartile nationally. This means that it spends less on staff per unit of activity than most other NHS trusts. The Allied Health Professional (AHP) cost per WAU is £167 compared to £130 nationally, placing it in the highest cost quartile. The NHS foundation trust has proactively invested in AHP's within its Early Intervention Team to support patient flow and reduce unnecessary admissions.
- Agency spend as a proportion of overall pay costs at 3.03% is below the national median of 4.34% and in the best quartile nationally (September 2019). Agency spend is also consistently maintained below the agency ceiling set by NHS England and NHS Improvement. The NHS foundation trust has tight control on the use of agency, and is addressing the main drivers of agency use, which are sickness absences and vacancy cover. There is some collaborative working with neighbouring NHS trusts to ensure consistency in agency prices.
- The NHS foundation trust's recruitment strategy involves overseas recruitment initiatives and it has successfully recruited to some junior doctor roles within its fragile services. The overseas recruitment strategy has also been successful in recruitment to nursing vacancies. A recruitment microsite has been launched to expand candidate reach for clinical staff recruitment adverts. The NHS foundation trust is also part of the NHS England and NHS Improvement's national retention support programme.
- The NHS foundation trust has established some alternative roles in its workforce to provide support and resilience to their medical and nursing teams. They include nursing and physician associates, and the recruitment of advanced clinical practitioners within the frail elderly team.
- Overall staff retention rates have improved in recent months and at 87.5%, they were better than the national median of 85.6% (December 2018). The NHS foundation trust uses information from exit interviews to inform its retention strategy. It has retention initiatives in place to support settlement of overseas recruits, offers existing staff opportunities for career progression and has established a "Better Working Lives" group for medical staff to reduce burnout. The NHS foundation trust has also reviewed its HR policies to ensure quicker internal transfers of nursing staff to areas of choice, and has targeted clinical staff training and development programmes, to support their career progression.
- The overall sickness absence rate at 3.60% for September 2019, was below (better than) the national average of 4.11%. The NHS foundation trust actively monitors sickness absences and has identified the respective key drivers. This information is used to develop targeted initiatives to reduce sickness absences. For instance, musculoskeletal injury is no longer reported in the top three reasons for absence, and this is attributed to moving and handling prevention courses that are embedded within the NHS foundation trust. Physiotherapy services are also provided to staff, and clinical staff who have been on long term sickness absence are able to return to non-clinical roles whilst they gradually return to their clinical role.
- E-rostering is used by the NHS foundation trust to support deployment of its nursing, midwifery and theatres workforce, and an acuity model is used to ensure the nursing staffing levels meet patient needs. The NHS foundation trust plans to expand the use of e-rostering to its community nursing and junior doctors workforce.

- The NHS foundation trust has recently introduced an electronic Job planning solution. At the time of the assessment, 50% of consultants job plans had been agreed. The process has been slower this year due to the recent move to electronic job planning. There is a plan to align medical consultants job plans to the national guidelines around programmed activities.

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

The costs of running clinical support services compare well, and the NHS foundation trust works in collaboration with other trusts to deliver pathology services. It has continued to achieve further savings from switching to best value biosimilars, and it is making use of technology to support service productivity improvements.

- The NHS foundation trust is part of a pathology network known as North East Essex and Suffolk Pathology partnership (NEESPS), and the overall cost per test in pathology at £1.64 for January 2018 to March 2018, is below the national median of £1.86. The NHS foundation trust's Electronic Patient Record (EPR) system has a module that supports demand management, and it has implemented barcoding at source, to support workflow efficiency. Further productivity improvements are planned with partners, which include implementing a single Laboratory Information Management system, and consolidating some of the high-volume testing onto single sites, which will reduce duplication. The NHS foundation trust has successfully recruited to its Histopathologists vacancies and is using this capacity to provide histopathology reporting for other partners in the network.
- For 2018/19, the NHS foundation trust's overall cost per report at £46.48 is below that national median of £56.29. The use of agency staff in imaging services, is low compared to other NHS trusts, and although the NHS foundation trust outsources some of the out of hours reporting to a neighbouring trust, the costs are low compared to other NHS trusts. The NHS foundation trust also reports a low level of missed appointments in imaging services.
- However, there are some areas where activity is higher than peers for instance non-obstetric ultrasound activity, which the NHS foundation trust is now addressing through a vetting process supported by radiologists. The volume of images reported by reporting radiographers at 6.8% is also low compared to a national median of 30.2%. The NHS foundation trust attributes this to the current radiographers' reduced scope of reporting (they do not report on Chest X-rays nor conduct CT head reporting). The NHS foundation trust has appointed two advanced radiographers to expand the radiographer workforce reporting scope.
- As part of the Top Ten Medicines programme, the NHS foundation trust, achieved £1.17 million savings in 2018/19 from switching to best value biosimilars. This was above the national benchmark of £0.96 million, and further savings of £0.95 million have been achieved in the current year.
- The pharmacy staff and medicines cost per WAU to September 2019, is £371 compared to the national median of £408 placing it in the second lowest (best) quartile nationally. The NHS foundation trust has an electronic prescribing and medicines administration (EPMA) system which supports monitoring of medicines use, and there is a medicines overview committee that approves new drugs and tracks medicines expenditure. Most drugs are bought through regional and national contracts to ensure best prices.
- The use of pharmacists in patient facing activities is low compared to other NHS trusts, and the number of active prescribing pharmacists at 18% (2017/18) is also low, compared to the national median of 35%. There are no Sunday clinical pharmacy services on the wards. The NHS foundation trust has a high level of technician vacancies, which is contributing to the high pharmacy vacancy rate of 14% compared to a national median 7% (2017/18). This means pharmacists must undertake more of the core pharmacy activity and cannot be released to cover patient facing roles. The NHS foundation trust is now training two pharmacy technicians per year. The NHS foundation trust also plans to launch 7-day pharmacy services in January 2020, including admissions cover in the emergency department.
- The NHS foundation trust is one the 17 Acute Global Digital Exemplars that are working towards developing use of digital technologies and information to improve quality of care. The NHS foundation trust has an integrated electronic health care record system, that is now linked to a neighbouring NHS foundation trust's electronic health record system, to support collaboration clinical service provision and improved quality of care. Various other technologies have also been developed for instance;

- ▪ a clinical photography app which allows images to uploaded directly to the patient record, whilst ensuring that it complies with governance and consent requirements.
  - ▪ a catering APP which Patients can use to browse menus and get medical advice about any specific dietary requirements and allergies.
  - ▪ a new theatre system, which provides real-time information in respect utilisation. The NHS foundation trust expects this will further improve clinical engagement and theatre productivity.

- an internal bank app (MeApp) used by staff to book shifts and is linked to the NHS foundation trust's electronic staff record.

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

The costs of running Human Resources compare well, with evidence of modernisation. The NHS foundation trust demonstrated a drive to source better prices for clinical products, although there remains scope to further improve procurement process efficiency. The cost of running estates is high, largely driven by the age of the estate.

- For 2017/18, the NHS foundation trust had an overall non-pay cost per WAU of £1,376 compared with a national median of £1,307, placing it in the second highest cost quartile nationally. The main contributors to this position are Supplies and Services, clinical negligence premiums and purchased health care costs. The NHS foundation trust cited the inclusion of outsourced pathology services costs and managed radiology equipment contract costs, as reasons for the higher supplies and services cost per WAU, which if adjusted for brings the WAU more in line with national median. The NHS foundation trust is working to reduce its Clinical Negligence Scheme for trusts (CNST) premium contributions and expects the benefit to be realised in the next year.
- The NHS foundation trust has a Procurement Process Efficiency and Price Performance Score of 62.5 (scale 0- 100) for period January to March 2019, and it ranks 84th out of 133 acute non-specialist NHS trusts. This suggests that there remains scope to improve the operational efficiency of procurement processes, in order to achieve best prices. The NHS foundation trust highlighted some of the procurement improvements achieved in the last year, for instance;
- - The NHS foundation trust has achieved the NHS standard of Procurement Level 1 and is working to drive down the cost of purchases through achieving better prices.
  - The NHS foundation trust hosts the East of England collaborative hub, through which it utilises joint framework agreements covering Analysis and Reconciliation, Homecare Medicines Services, Legal Services and Medical Gas Cylinders, all of which offer better pricing through aggregation.
  - The NHS foundation trust also highlighted examples of initiatives it has led, which delivered price benefits for other healthcare organisations in its locality, for instance a gloves procurement initiative, which entailed standardisation of glove products with neighbouring NHS trusts and negotiating lower prices for the same quality of gloves. This delivered a reduction in price for all the partners.
- The cost of the Human Resources functions relative to turnover, benchmarks in the lowest (best) quartile, when compared with other acute non-specialist NHS trusts. Human Resources is £0.52 million per £100 million turnover compared to a national benchmark of £0.9 million. However, this cost excludes HR system costs which have been included in the IM&T function. Aside this, the NHS foundation trust cited its high retention of experienced staff and digitisation of its human resources processes, achieving a paperless status, as evidence of better productivity in the function.
- Finance function costs at 0.75 million per £100 million of turnover, are slightly above the national median of 0.68 million. The NHS foundation trust explained that it Finance function costs included business analysts who were part of function, an approach it adapted to improve the integration of business and finance reporting. The function also includes finance support for its community services operations. The NHS foundation trust has embarked on initiatives to improve the cost of running the function including, exploring robotic process automation and opportunities for collaboration with a neighbouring NHS trust, in respect to high transactional areas such as accounts payable.
- Overall estates and facilities costs at £359 per square metre are above (worse than) the benchmark value of £325 (2017/18). Total maintenance backlog and critical infrastructure risk are also significantly higher than benchmark values. Due to the age of the estate, the NHS foundation trust must continuously address structural and integrity issues, which is driving the higher estates costs. The NHS foundation trust has also experienced estates workforce recruitment challenges (therefore reliant on contractors) and it has limited decant space to support major maintenance works on the main hospital site.
- The NHS foundation trust is addressing its backlog through a rolling five-year estates capital investment plan, with prioritised investments based on multidisciplinary assessment. Regular reporting is provided to board in respect to estates related risks, mitigation and compliance.
- The NHS foundation trust's soft facilities management cost per square metre at £181 is significantly higher than the benchmark of £127. The NHS foundation trust has invested in high quality patient food provision, with the support of dieticians, which is contributing to the higher meal costs. The NHS is engaging with NHS England and NHS Improvement to identify areas of improvement in respect to cleaning and meal costs.

- However, Patient-Led Assessments of the Care Environment (PLACE) scores are all in the best quartile nationally.

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

The NHS foundation trust has a good track record of managing expenditure within its financial plans, achieving its control total in each of the last three years. However, at the time of the assessment the NHS foundation trust was reporting an adverse variance to plan and had identified significant risks to achieving the 2019/20 control total. Due to its historical deficit position, the NHS foundation trust remains reliant on external financial support to meet its revenue and capital obligations.

- For 2018/19, the NHS foundation trust reported delivery of £13.4 million deficit excluding PSF, and £6.1 million deficit with PSF (2.52% of turnover). This was better than its control totals of £13.7 million deficit and £10 million deficit respectively. The NHS foundation trust also reported delivery of its £12.2 million efficiency target (4.65% of expenditure) of which 68% was reported as recurrent.
- For 2019/20, the NHS foundation trust has a control total and plan of £10.1 million deficit (4.11% of turnover) before PSF, FRF and MRET, and breakeven with additional funding. At the time of the assessment, the NHS foundation trust was reporting an adverse variance of £2.6 million against the year to date plan before PSF, FRF and MRET (August 2019). The adverse position is driven by pay overspends linked to demand in excess of plan. Although it is still forecasting to deliver plan, The NHS foundation trust had identified a significant risk to achieving its control totals, which if not addressed will result in a £16 million adverse variance to its breakeven control total. The NHS foundation trust is working through financial recovery opportunities both internally, and with system partners.
- The NHS foundation trust's CIP is aiming to deliver efficiencies of £8.9m for 2019/20 (3.4% of operating expenditure), and as at August 2019, the NHS foundation trust was reporting full delivery against its year to date plan. 91% of the full year savings are planned to be recurrent, compared to 68% of the 2018/19 savings being delivered recurrently.
- The NHS foundation trust assessed its underlying forecast deficit position at the end of 2019/20, as £19.5 million, which is 8% of forecast income and it has a plan to reduce this deficit to 1% by 2023/24.
- The NHS foundation trust is reliant on additional cash support in the interim to consistently meet its financial obligations and maintain its positive cash balance. Cash requirements are planned at the start of the year and monitored throughout the year, and although its cash position has deteriorated, the NHS foundation trust has not required additional emergency borrowing over and above its plan. The cumulative working capital/revenue support loans balance at August 2019 was reported as £30.8m. The NHS Foundation trust is also reliant on capital loans with a cumulative capital financing loan balance of £54.3m at August 2019.
- Performance against better payment practice code is below target. As at September 2019, the valid invoices paid within 30 days were 73.8% by number and 76.2% by value. The target is 95% for both.
- The NHS foundation trust was an early adopter of Patient Level and Information and Costing System (PLICS) and is using this costing data to both support business decisions and to identify productivity opportunities. The NHS foundation trust however did not provide evidence of using service line reporting in monitoring performance and supporting decision making.
- The NHS foundation trust has agreed a guaranteed income contract with its main commissioners to secure income levels. This agreement aimed to ensure that the NHS foundation trust's income grows in proportion to the forecast growth in activity, however for 2019/20 activity levels have exceeded plan, and are generating cost pressures, as a result of short-term capacity provision. The NHS foundation trust is negotiating with commissioners for additional funding to cover the increase in demand.
- The NHS foundation trust highlighted benefits from this arrangement such as, supporting more transparent working with commissioners including sharing of transformation resources which reduces overheads. The NHS foundation trust has also been able to progress integration of its services, (Acute and Community) without concern of the impact this would have on its income base (as would be the case under an activity-based payment contract).
- The NHS foundation trust has some commercial income generating initiatives which include; a 25% partnership in procurement collaborative, staff accommodation facilities, parking, private patient activity and a graduation course for medical students. Total income earned for 2018/19 was £6.2 million.
- The NHS is not reliant of management consultants to support improvements and it reported minimal expenditure for use of management consultants in 2018/19.

Outstanding practice

- The NHS foundation trust has used its vertically integrated model (Acute and Community services) to drive improvements in patient care and patient flow for instance;
- - Support to go home services, where reablement support workers employed by NHS foundation trust, support prompt discharge of medically patient fit patients, by providing intermediate care in their homes. These initiatives have helped the NHS foundation trust achieve a low delayed transfers of care rate (3.4%), as well as improve length of stay
  - A fully integrated admissions avoidance team (operating in the community) with a rapid intervention vehicle in place which is staffed by specialist paramedics or emergency care practitioners. The team also has access to equipment and care workers, to provide intermediate care for patients at home. The team also works with the NHS foundation trust's emergency department in the morning hours, to support assessment and transfer of patients to the most appropriate care setting. The NHS foundation trust reports avoidance of 87 admissions per calendar month, which has supported a 2% reduction in the overall year on year non-elective admissions (August 2019), despite an increase in non-elective demand.
- For two consecutive years, the National Hip Fracture Database has ranked the NHS foundation trust top in the country for its management of patients with Hip Fractures.
- The NHS foundation trust highlighted examples of initiatives it has led which delivered price benefits for other healthcare organisations in its locality, for instance a gloves procurement initiative, which entailed standardisation of glove products with neighbouring NHS trusts and negotiating a lower price for the same quality of gloves. This delivered a reduction in price for all the partners.

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS foundation trust is reporting an adverse variance to the year to date financial plan and has identified significant risks to delivering control total. The NHS foundation trust should work at pace to implement financial recovery actions to minimise further deterioration of the financial position in 2019/20.
- The NHS foundation trust should continue improving its business planning processes to ensure contract income levels address costs related to activity growth, and sustained improvements in operational performance are achieved
- The NHS foundation trust should continue working to improve performance against constitutional operational standards.
- Procurement league table scores indicate there is further scope to improve procurement process efficiencies. Further work is required to secure these opportunities and drive down the cost of purchases.
- The NHS foundation trust should consider developing regular use of service line reporting to monitor performance and support decision making.
- The use of pharmacists to support patient facing activities, and radiographers to undertake reporting, is lower than most other NHS trusts. The NHS foundation trust should progress the improvement actions it has identified.
- The NHS foundation trust should work towards expanding the use of e-rostering to the wider clinical and non-clinical workforce.
- Job planning is now undertaken using an electronic solution, the NHS foundation trust should continue working towards completing the job planning process for all consultants and consider linking the job plans to operational plans.
- The NHS foundation trust should progress implementation of its five-year estates maintenance plan and continue to identify opportunities to reduce the soft facilities management costs.

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 🡇 Jan 2020	Good 🡇 Jan 2020	Good 🡇 Jan 2020	Requires improvement 🡇 Jan 2020

Trust level

Well-led	Use of Resources
Requires improvement 🡇🡇 Jan 2020	Good Jan 2020

Overall quality

Requires improvement Jan 2020

Combined quality and use of resources

Requires improvement 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.