# Sherwood Forest Hospitals NHS Foundation Trust

## Use of Resources assessment report

Kings Mill Hospital
Mansfield Road
Sutton In Ashfield
Nottinghamshire
NG17 4JL
Tel: 01623622515
www.sfh-tr.nhs.uk

Date of publication: 14/05/2020

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 | Good |
| Are services safe? | Good |
| Are services effective? | Good |
| Are services caring? | Outstanding |
| Are services responsive? | Good |
| Are services well-led? | Good |

| | |
|---|---|
| Are resources used productively? | Requires improvement |

| | |
|---|---|
| Combined rating for quality and use of resources | Good |

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

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

## Use of Resources assessment and rating

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

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

## Combined rating for Quality and Use of Resources

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

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

- we rated safe, effective, responsive, and well-led as good; and caring as outstanding;
- During this inspection we rated four of the services we looked at as good overall and one as requires improvement.
- In rating the trust, we took into account the current ratings of the five services not inspected this time.
- We rated well-led for the trust overall as good.
- The trust was rated requires improvement for use of resources. Full details of the assessment can be found on the following pages.

# NHS Trust

## Use of Resources assessment report

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Sutton In Ashfield
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Tel: 01623622515
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Date of inspection visit: 14 Jan to 12 Feb 2020
Date of publication: 14/05/2020

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? | Requires improvement |
|---|---|

## How we carried out this assessment

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

We visited the trust on 4th February 2020 and met the trust's leadership team including the chief executive and the chair, as well as relevant senior management responsible for the areas under this assessment's KLOEs.

## Findings

Requires improvement

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

**We rated Use of Resources as Requires Improvement**

- The NHS foundation trust continues to perform better than other NHS trusts across several measures of clinical services productivity. Improvement programmes are being undertaken to achieve better utilisation of beds and outpatient facilities, and of note is the work undertaken to improve patient flow, where significant reductions have been achieved in the weekly number of patients with long length of stay(over 21 days).
- The NHS trust's performance against some measures of workforce productivity including sickness absence and staff retention, compares well. The NHS foundation trust has continued to improve the use of e-rostering and e-job planning in the deployment of its substantive nursing and consultant workforce, and has achieved a sustained reduction is agency spend, which is also maintained below the ceiling set by NHS England and NHS improvement.
- The NHS foundation trust is making progress in developing collaborative working arrangements with other NHS trusts in the area of corporate services. This includes joint appointment to an executive role in Human Resources with a neighbouring trust, and joint procurement of printing services with partners in the Integrated Care System (ICS).
- The NHS foundation trust has introduced a more robust contract management approach for the PFI contract, including a director role dedicated to management of the contract. The improvements are expected to deliver financial benefits this year.

However, it should be noted that:

- Although the NHS foundation trust has maintained the track record of delivering services within its financial plans, this has been increasingly supported by non-recurrent measures, and as a result, the NHS foundation trust's underlying financial deficit has remained significant.
- For 2018/19 the NHS foundation trust reported a deficit of £46.3 million without PSF (15.5% of turnover) and £26.8 million deficit with PSF (8.4% of turnover) against control totals of £46.4 million deficit and £34 million deficit respectively. This included £16.5 million CIP, of which 40% was reported as non-recurrent, representing an increase from previous years (20%).
- Whilst the NHS foundation trust expects to achieve its 2019/20 financial plan of £41.52 million deficit, before PSF, FRF and MRET and £14.87 million deficit with the additional funding (13.8% and 4.5% of turnover respectively), at the time of the assessment there were significant risks to achieving this and mitigating actions had not been finalised. CIP delivery was reported as £8.1 million (2.6% of operating expenditure) with 56% achieved non-recurrently.
- The NHS foundation trust is reporting an improvement of £5.4 million against its underlying deficit, from £55.8 million in 2017/18 to £50.41 million in 2019/20, however at £50.41 million (14.9% of the 2019/20 planned income), the underlying deficit remains substantial, and there remains scope for the NHS foundation trust to address the proportion of the deficit that is within its control,
- The NHS foundation trust's overall cost per WAU at £3,651 for 2018/19, remains materially above the national median of £3,500 and in the highest cost quartile. This indicates that the NHS foundation trust spends more to deliver the same activity, when compared to other non-specialist acute trusts.
- The NHS foundation trust is ranked 102 out of 133 NHS trusts in the Procurement League Table, for the period July to September 2019. This indicates there remain significant opportunities to drive down cost of purchases.

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

The NHS foundation trust continues to perform better than most other non-specialist acute trusts on almost all key measures of clinical services productivity. The trust recognises that further work is required to improve performance against national constitutional operational standards.

- At the time of the assessment (based on December 2019 data), the NHS foundation trust was meeting the constitutional operational standards for 6- week diagnostic waiting times and Cancer 62-day wait from urgent GP referral. 99.04% of patients had their diagnostic procedures undertaken within six weeks of referral, against a national standard of 99%, and 85.7% of patients were reported as beginning their first definitive treatment for cancer within 62 days, following an urgent GP referral for suspected cancer (national standard is 85%).
- Whilst the NHS foundation trust was not meeting the constitutional operational performance standards for; Cancer screening service referral, 18-week Referral to Treatment (RTT) and Accident and Emergency (A&E) 4-hour wait, its performance was better than national medians. A&E 4-hour wait performance was 89.6% (January 2020) compared to the standard of 95%, RTT performance was 86.04% (December 2019) against the national standard of 92%, and Cancer 62-day waits for NHS cancer screening service referrals was 88.89% (December 2019) against a national standard of 90%.

- Since the last assessment, some of the initiatives introduced to improve Emergency and Urgent care performance include; the use of radiographers to discharge patients (minors) directly from the emergency department, investment in increased staffing levels to improve turnaround times, in particular nursing, ANPs and a consultant Geriatrician. There has also been increased use ambulatory care and primary care services in emergency department. The NHS foundation trust indicated that the above improvements have reduced crowding in A&E department, and ambulance waiting times, but have limited impact on performance due to high emergency demand growth
- On pre-procedure elective bed days, at 0.08, the NHS foundation trust is performing in quartile 2 (second best) when compared against the national median of 0.12. The NHS foundation trust is also reporting a relatively good performance for day case rates, which at 80% benchmark above the national median of 77%. This indicates better utilisation of elective beds, and further improvements are expected with plans to increase the elective surgical procedures being performed at the Newark site.
- On pre-procedure non-elective bed days, at 0.67, the NHS foundation trust is performing slightly worse than the national median of 0.65. This has improved since the last assessment when it was 0.83. The reduction in bed days can be attributed to improved time to theatre performance for patients with fractured neck of femurs.
- For period July to September 2019, the NHS foundation trust's 30-day emergency readmission rate of 8.79% is above the national median of 7.85% and has increased since the last assessment when it was 7.02%. The NHS foundation trust attributes this increase to ambulatory emergency pathways, where patients are not kept in hospital but discharged and brought back for treatment. A case note audit is being conducted to ensure that there are no concerning quality issues.
- The Did Not Attend (DNA) rate for the NHS foundation trust is low at 6.65% (Quarter 2 2019/2020) and has been maintained since the last assessment. The NHS foundation trust continues to compare well against the national median of 7.13%. Since the last assessment, two-way text reminders have been introduced which has further reduced the rate, however the NHS foundation trust recognise further work is required within paediatrics where the DNA rates remain high.
- The NHS foundation trust have exceeded the 40% ambition set by NHS England and NHS Improvement in March 2018, to reduce the number of long length of stay patients. The NHS foundation trust has reduced the weekly average number of patients from the baseline in March 2018 of 117, to 58 as of January 2020.
- The NHS foundation trust continues to actively engage with the national 'Getting it right first time' (GIRFT) programme for 13 clinical areas across a broad range of services. Since the last assessment the NHS foundation trust has utilised findings to introduce clinical productivity improvements that are expected to deliver financial benefits to the value of £0.2 million in 2019/20, they include deduced orthopaedic Loan Kit Costs and development of an emergency Laparoscopic Cholecystectomy pathway.

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

***There have been some improvements in workforce productivity since the last assessment. The NHS foundation trust has reduced its sickness absence rates and continued to build staff retention. Spend on agency staff has also reduced, however, overall pay costs of delivering activity remain high.***

- The NHS foundation trust's clinical staff pay per WAU at £1,981 for 2018/19, remains above the national median for non-specialist acute trusts (£1,934), and in the third highest cost quartile. This indicates that the NHS foundation trust spends more on pay to deliver activity, when compared to other non-specialist acute trusts.
- Since the last assessment, the NHS foundation trust has put a suite of measures in place to reduce agency spend, which include improving recruitment and deployment of substantive clinical staff, and stronger controls and tracking of agency use. In addition, the NHS foundation trust is expanding the use of its internal bank, with initiatives such as introducing weekly payments for bank staff.
- As a result of these agency spend has been reduced and maintained below the agency ceiling set by NHS England and NHS Improvement. The NHS foundation trust achieved a reduction in agency spend from £16.7 million (8.6% of overall pay costs) in 2017/18 to £14.2 million (6.9%) in 2018/19, and as at December 2019, the agency spend was £9 million (5.8% of pay costs) is forecasting expenditure of £12.8 million, which is £3.9m under the agency ceiling. A continued focus is required in this area, as spend is still high, and there is some use of off- framework agencies and price cap overrides.

- 100% of consultants have a job plans and the NHS foundation trust has introduced the use of an electronic solution to track compliance. Team-level job planning has also been introduced in some specialities to better align capacity to service requirements. The NHS foundation trust is reporting cost savings of £0.3million (December 2019) from tracking compliance to job plans and has identified opportunities to reduce the number additional of programmed activities.
- Use of an integrated electronic rostering service enables the NHS foundation trust to deploy to all staff (including doctors) 6 weeks in advance and this is additionally being rolled out for Allied Health Professionals. There is an established process to oversee compliance against rotas.
- The NHS foundation trust has established some alternative roles in its workforce to provide support and resilience to patient pathways and longstanding medical vacancies. It has a total of 13.85 WTE Advanced Care Practitioner (ACP) working across various areas including accident and emergency and some wards. There is established leadership for these roles in respect to clinical governance and clinical skills development, and to further develop ACP roles and expanded nursing and Allied Health Professional roles within ward settings. Whilst Nursing Associate roles have been established, the NHS foundation trust has not been able to retain all its trained nurse associates and there remains opportunity to expand the use of clinical apprentice roles in the workforce model.
- Overall sickness absence rates are better than the national median of 4.42% (October 2019) at 4.20%. The NHS foundation trust has a robust Occupational Health department which evidences good staff satisfaction with its service, and there are initiatives in place such as self-referral for musculoskeletal services and telephone counselling, with reduced waits for staff.
- Retention rates have continued to be above the national median of 85.6% (December 2018) at 86.8%. The NHS foundation trust has focused on retaining students and established staff, by exploring flexibility in contracts and career-development. The NHS foundation trust has established links with other local healthcare providers to offer job rotations, to build up skills and experience across several different healthcare settings. This has included innovative use of apprenticeship funding to enable staff to access accredited education courses, also the development of Chief Nurse Fellowships to enable career progression and succession planning.

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

Pharmacy services costs are competitive and support patient flow through prompter preparation of discharge medicines. There are opportunities to reduce outsourcing costs in imaging services and overall cost delivering pathology services costs, through greater collaboration with partners in networks.

- The pharmacy staff and define medicines cost per WAU at £305 has remained below (better than) the national median of £409 for the 12 months period to October 2019. This means the pharmacy services and medicines of cost delivering activity are lower than other NHS trusts. The NHS foundation trust attributes this performance to the use of regional and national frameworks agreements for the procurement of medicines, and strict formulary adherence that spans the local area including GP practices.
- The NHS foundation trust is increasingly using pharmacy services to support patient flow. There are pharmacy technicians in the emergency department and on every ward to undertake medicines reconciliation and support supply of discharge medicines. 90% of patients have their medicines available when they are ready to go home. The NHS foundation trust has enabled extended hours of the Pharmacy service via an 'opt-in' method for staff to volunteer for weekend shifts. This additional weekend service cover has had a positive impact on the Monday workload. The Trust actively recruits pre-registration pharmacists to ensure resilience within the workforce and has successfully retained 6 new qualified pharmacists this year.
- The NHS foundation trust has continued to deliver savings on medicines cost for health economy through switching to best value biosimilars. Reported savings in 2019/20 were £3.15 million as at January 2020. In October 2019, the NHS foundation trust recruited a rheumatology pharmacist to help with update of biosimilars, and in so doing addressing workforce gaps which were delaying some of switches identified in the previous assessment.
- 80% of the NHS foundation trust's 40 pharmacists can prescribe, however they only actively prescribe in some admissions. The trust recognises opportunities exist to extend this to discharges, however there is no intention to implement pharmacist prescribing on wards in the near term, following a pilot which indicated this had limited impact on patient flow.

- The has been a slight increase in the overall cost per test for pathology from £1.91 (2016/17) to £2.03 (2018/19), placing the NHS foundation trust in the upper third quartile (most expensive) nationally. The NHS foundation trust is part of the ME2 Pathology Network which has progressed slowly since its inception. The NHS foundation trust is an active part of the proposed network discussions and is working closely with other trusts to develop a cluster approach to networking.
- The NHS foundation trust has a Managed Equipment Service in place allowing a fully tracked blood sciences service. To assist with demand management, the NHS foundation trust has also developed a demand dashboard, which has prevented duplicate requests of tests on patients. To effectively support the Cancer pathway, the NHS foundation trust has developed workforce model to enable Biomedical Scientists to conduct dissections, which frees up Histopathologist time. This is especially valuable as Histopathology is a hard to recruit area. Plans are in place to procure a unified laboratory information system with their cluster partners, which would support greater network integration.
- The NHS foundation trust has 4 reporting radiographers for plain X-ray reporting delivering 33% of the reporting output. This releases radiologist reporting time for complex cases and contributes to the lower cost per report (£35.4 compared to median £56.3 at March 2019). However outsourcing costs remain high at 17% of total imaging costs compared to a national median of 5.6% (March 2019), with key driver being the operating model of outsourcing overnight reporting for CT. Although this model increases availability of imaging services capacity, it reduces control over agreed overnight requesting.
- At the last assessment the NHS foundation trust had implemented the use of workforce deployment systems, recruitment and diagnostic requesting systems. Since then, the NHS foundation trust has invested in additional software solutions to support patient management including; electronic observations systems with mobile device integration, and bed management solutions. The Trust is currently piloting single sign on system in ED, which known to save clinicians time.
- The NHS foundation trust is part of the EMRAD Consortium and is currently supporting EMRAD in the development and testing of software which could make mammography (breast screening) services run more efficiently and address the clinical workforce shortages which exist in breast screening.

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

The cost of running corporate services mostly compare well and the NHS foundation trust has worked to improve the management of the PFI contract. However, further work is required to drive down cost of purchases through improvements in procurement processes.

- The cost of the Finance function relative to turnover remains in the second-best quartile nationally at £0.68 million per £100million of turnover, based on 2018/19 data. (At the last assessment 2016/17 the cost was £0.67 million based on 2016/17 data). There are some areas of high cost which include the Programme Management Office (PMO) and service improvement. The NHS foundation trust attributes this to the use of a management consulting firm to provide additional capacity for the PMO in 2018/19 supporting CIP development and delivery. The PMO function is now moving into the service improvement function, together with organisational delivery and quality improvement. There is currently no collaboration of individual finance sub functions with other NHS partners.
- The cost of the Human Resources (HR) function per £100 million of turnover has reduced slightly from £1.2 million (2016/17) to £1.16 million (2018/19), however this remains in the highest cost quartile nationally. The NHS foundation trust attributes the higher costs to the allocation of e-rostering team costs to the HR function. E-rostering is mature compared to other trusts and is delivering improvements in utilisation of substantive clinical staff. Improvements made since the last assessment include a shared Director of HR post and a joint workforce information team, with another local NHS organisation.
- The cost of the Information Management and Technology function (IM&T) function per £100 million of turnover has also reduced from £2.83 million (2016/17) to £2.45 million (2018/19), placing the NHS foundation trust in the second-best quartile nationally. This improvement is attributed in part to the shared printing contract with other organisations in the Integrated Care System (ICS). There is also joint procurement of IT infrastructure and this has also supported seamless logins at partner sites.
- The cost per m2 for estates has reduced from £416 (2016/17) to £407 (2018/19) placing the trust in the second highest cost quartile. The NHS foundation trust introduced a substantive Director of PFI contract role and is focussing on strengthening management of the PFI contract using the recommendations from an external PFI consultancy.
- The soft facilities management services are due for benchmarking in 2022 and the NHS foundation trust is working up plans to carry out this exercise robustly.

- The NHS foundation trust is ranked 102 out of 133 foundation trusts in the Procurement League Table, for the period July to September 2019. This indicates that there are significant opportunities to drive down cost of purchases. The NHS foundation trust has commenced an analytical piece of work examining price variances.
- Contracts are divisionally managed with expert input provided by procurement team, who also track contracts that are up for renewal and identify opportunities for joint agreements with other trusts to increase collaborative working.

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

The NHS foundation trust has maintained the track record of delivering services within its financial plans and reporting financial positions that are better than control total. However, this has been increasingly supported by non-recurrent measures, and as a result, the NHS foundation trust's underlying financial deficit has remained significant.

- For 2018/19 the NHS foundation trust achieved the control total without PSF, reporting a deficit of £46.3 million (15.5% of turnover) against a control total of £46.4 million deficit. The NHS foundation trust received PSF funding of £19.5 million which reduced the reported deficit to £26.8 million (8.4% of turnover). This was better than the control total with PSF of £34 million deficit.
- For 2019/20, as at December 2019, the NHS foundation trust's reported position was in line with the year to date plan, and it expects to deliver the deficit control totals of £41.52 million deficit, before PSF, FRF and MRET and £14.87 million deficit with the additional funding (13.8% and 4.5% of turnover respectively). However, the NHS foundation trust recognises there remain significant risks to achieving the control totals given some mitigating actions have not yet been finalised.
- The NHS foundation trust is reporting an improvement of £5.4 million against its underlying deficit, from £55.8 million in 2017/18 to £50.41 million in 2019/20. Evidence provided by the trust indicates that the improvement has been achieved with the support of some recurrent financial improvement initiatives and income incentive contracts.
- At £50.41 million (14.9% of 2019/10 planned income), the underlying deficit remains significant and the NHS foundation trust should work to reduce significantly the proportion of the deficit that is within its control. The NHS foundation trust recognises that a high proportion of transactional (non-recurrent) financial improvement initiatives, have adversely impacted on the pace of reducing the underlying deficit.
- Although the NHS foundation trust reported achieving its cost improvement plan in 2018/19 of £16.5 million (4.6% of expenditure), the proportion of non-recurrent schemes at 40% has increased from previous years and was, therefore, unsustainably high
- For 2019/20, the NHS foundation trust had a CIP target of £12.8 million (3.61% of expenditure), and as at December 2019 was reporting achieving 63% of this target, with 56% of the efficiencies delivered on a non-recurrent basis.
- The NHS foundation trust cited readiness of improvement schemes at start of the year, as the main reason for the CIP delivery challenges (including high proportion of non-recurrent schemes). The NHS foundation trust commissioned an external consultancy to support with implementing more robust CIP development and delivery processes, covering governance, quality, capacity and capability. The support is currently delivered though a secondment model, where the experts work with substantive staff in the NHS foundation trust. This is expected to also transfer of skills to substantive and ensure continued ownership of improvement schemes. Evidence provided by the NHS foundation trust indicated work on the 2020/21 improvement schemes has already started, with a total target value of £10.6 million against the identified schemes. However, it's unclear when the schemes will begin to deliver the efficiencies.
- The total cost of external consultancy support that has been commissioned was £0.38 million as at January 2020. This is funded through a combination of the NHS foundation trust's internal budgets and integrated care system transformation funds. The NHS foundation trust cites benefits of this investment as improved CIP delivery, and detailed review of the underlying financial forecasts and assumptions, governance and delivery capability.
- The NHS foundation trust remains reliant on revenue loans to pay its financial obligations and maintain the positive cash balance. The NHS foundation trust's year to date revenue loan balance was £225.3 million (December 2019). The NHS foundation trust's cash management systems ensure that borrowing is maintained within planned limits, and the borrowing required for 2019/20 was reduced following receipt of 2018/19 PSF bonus funding of £7.5million.

## Outstanding practice

- 100% of consultants have a job plans and the NHS foundation trust has introduced the use of an electronic solution to track compliance. Team-level job planning has also been introduced in some specialities to better align capacity to service requirements. The NHS foundation trust is reporting cost savings of £0.3million (December 2019) from tracking compliance to job plans and has identified opportunities to reduce the number additional of programmed activities.
- The NHS foundation trust has established a robust system to implement and maintain the use of e-rostering for deployment of its workforce. This includes a dedicated team to support users, an e-rostering training programme that also covers HR related issues and budget management, and roster review and sign off processes that include operational managers, senior clinical managers, and finance. The use of e-rostering has enabled the NHS foundation trust to reduce spend on agency staff.

## Areas for improvement

- The NHS foundation trust should continue working to implement recurrent financial improvement initiatives and increase the pace of reducing its underlying deficit which remains substantial.
- The NHS foundation trust has achieved a sustained reduction in agency spend and continued focus is required in this area to reduce the higher pay cost of delivering activity.
- The NHS foundation trust should continue working towards expanding the use of clinical apprentice roles in its workforce.
- There are opportunities to improve pathology services costs, including greater collaboration with partners in pathology networks.
- The NHS foundation trust is ranked 102 out of 133 foundation trusts in the Procurement League Table, for the period July to September 2019. This indicates that there are significant opportunities to drive down cost of purchases.

# 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 |
|---|---|---|---|
| Good ↑ Jan 2020 | Good ➔➔ Jan 2020 | Outstanding ↑ Jan 2020 | Good ➔➔ Jan 2020 |

**Trust level**

| Well-led | Use of Resources |
|---|---|
| Good ➔➔ Jan 2020 | Requires improvement Jan 2020 |

**Overall quality**

Good ➔➔ Jan 2020

**Combined quality and use of resources**

Good Jan 2020

# Use of Resources report glossary

| Term | Definition |
|---|---|
| 18-week referral to treatment target | According to this national target, over 92% of patients should wait no longer than 18 weeks from GP referral to treatment. |
| 4-hour A&E target | According to this national target, over 95% of patients should spend four hours or less in A&E from arrival to transfer, admission or discharge. |
| Agency spend | Over reliance on agency staff can significantly increase costs without increasing productivity. Organisations should aim to reduce the proportion of their pay bill spent on agency staff. |
| Allied health professional (AHP) | The term 'allied health professional' encompasses practitioners from 12 diverse groups, including podiatrists, dietitians, osteopaths, physiotherapists, diagnostic radiographers, and speech and language therapists. |
| AHP cost per WAU | This is an AHP specific version of the pay cost per WAU metric. This allows trusts to query why their AHP pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric. |
| Biosimilar medicine | A biosimilar medicine is a biological medicine which has been shown not to have any clinically meaningful differences from the originator medicine in terms of quality, safety and efficacy. |
| Cancer 62-day wait target | According to this national target, 85% of patients should begin their first definitive treatment for cancer within 62 days following an urgent GP referral for suspected cancer. The target is 90% for NHS cancer screening service referrals. |
| Capital service capacity | This metric assesses the degree to which the organisation's generated income covers its financing obligations. |
| Care hours per patient day (CHPPD) | CHPPD measures the combined number of hours of care provided to a patient over a 24 hour period by both nurses and healthcare support workers. It can be used to identify unwarranted variation in productivity between wards that have similar speciality, length of stay, layout and patient acuity and dependency. |
| Cost improvement programme (CIP) | CIPs are identified schemes to increase efficiency or reduce expenditure. These can include recurrent (year on year) and non-recurrent (one-off) savings. CIPs are integral to all trusts' financial planning and require good, sustained performance to be achieved. |
| Control total | Control totals represent the minimum level of financial performance required for the year, against which trust boards, governing bodies and chief executives of trusts are held accountable. |
| Diagnostic 6-week wait target | According to this national target, at least 99% of patients should wait no longer than 6 weeks for a diagnostic procedure. |

| Term | Definition |
|---|---|
| Did not attend (DNA) rate | A high level of DNAs indicates a system that might be making unnecessary outpatient appointments or failing to communicate clearly with patients. It also might mean the hospital has made appointments at inappropriate times, eg school closing hour. Patients might not be clear how to rearrange an appointment. Lowering this rate would help the trust save costs on unconfirmed appointments and increase system efficiency. |
| Distance from financial plan | This metric measures the variance between the trust's annual financial plan and its actual performance. Trusts are expected to be on, or ahead, of financial plan, to ensure the sector achieves, or exceeds, its annual forecast. Being behind plan may be the result of poor financial management, poor financial planning or both. |
| Doctors cost per WAU | This is a doctor specific version of the pay cost per WAU metric. This allows trusts to query why their doctor pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric. |
| Delayed transfers of care (DTOC) | A DTOC from acute or non-acute care occurs when a patient is ready to depart from such care is still occupying a bed. This happens for a number of reasons, such as awaiting completion of assessment, public funding, further non-acute NHS care, residential home placement or availability, or care package in own home, or due to patient or family choice. |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortisation divided by total revenue. This is a measurement of an organisation's operating profitability as a percentage of its total revenue. |
| Emergency readmissions | This metric looks at the number of emergency readmissions within 30 days of the original procedure/stay, and the associated financial opportunity of reducing this number. The percentage of patients readmitted to hospital within 30 days of discharge can be an indicator of the quality of care received during the first admission and how appropriate the original decision made to discharge was. |
| Electronic staff record (ESR) | ESR is an electronic human resources and payroll database system used by the NHS to manage its staff. |
| Estates cost per square metre | This metric examines the overall cost-effectiveness of the trust's estates, looking at the cost per square metre. The aim is to reduce property costs relative to those paid by peers over time. |
| Finance cost per £100 million turnover | This metric shows the annual cost of the finance department for each £100 million of trust turnover. A low value is preferable to a high value but the quality and efficiency of the department's services should also be considered. |
| Getting It Right First Time (GIRFT) programme | GIRFT is a national programme designed to improve medical care within the NHS by reducing unwarranted variations. |
| Human Resources (HR) cost per £100 million turnover | This metric shows the annual cost of the trust's HR department for each £100 million of trust turnover. A low value is preferable to a high value but the quality and efficiency of the department's services should also be considered. |

| Term | Definition |
|---|---|
| Income and expenditure (I&E) margin | This metric measures the degree to which an organisation is operating at a surplus or deficit. Operating at a sustained deficit indicates that a provider may not be financially viable or sustainable. |
| Key line of enquiry (KLOE) | KLOEs are high-level questions around which the Use of Resources assessment framework is based and the lens through which trust performance on Use of Resources should be seen. |
| Liquidity (days) | This metric measures the days of operating costs held in cash or cash equivalent forms. This reflects the provider's ability to pay staff and suppliers in the immediate term. Providers should maintain a positive number of days of liquidity. |
| Model Hospital | The Model Hospital is a digital tool designed to help NHS providers improve their productivity and efficiency. It gives trusts information on key performance metrics, from board to ward, advises them on the most efficient allocation of resources and allows them to measure performance against one another using data, benchmarks and good practice to identify what good looks like. |
| Non-pay cost per WAU | This metric shows the non-staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less per standardised unit of activity than other trusts. This allows trusts to investigate why their non-pay spend is higher or lower than national peers. |
| Nurses cost per WAU | This is a nurse specific version of the pay cost per WAU metric. This allows trusts to query why their nurse pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric. |
| Overall cost per test | The cost per test is the average cost of undertaking one pathology test across all disciplines, taking into account all pay and non-pay cost items. Low value is preferable to a high value but the mix of tests across disciplines and the specialist nature of work undertaken should be considered. This should be done by selecting the appropriate peer group ('Pathology') on the Model Hospital. Other metrics to consider are discipline level cost per test. |
| Pay cost per WAU | This metric shows the staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less on staff per standardised unit of activity than other trusts. This allows trusts to investigate why their pay is higher or lower than national peers. |
| Peer group | Peer group is defined by the trust's size according to spend for benchmarking purposes. |
| Private Finance Initiative (PFI) | PFI is a procurement method which uses private sector investment in order to deliver infrastructure and/or services for the public sector. |
| Patient-level costs | Patient-level costs are calculated by tracing resources actually used by a patient and associated costs |
| Pre-procedure elective bed days | This metric looks at the length of stay between admission and an elective procedure being carried out – the aim being to minimise it – and the associated financial productivity opportunity of reducing this. Better performers will have a lower number of bed days. |

| Term | Definition |
|---|---|
| Pre-procedure non-elective bed days | This metric looks at the length of stay between admission and an emergency procedure being carried out – the aim being to minimise it – and the associated financial productivity opportunity of reducing this. Better performers will have a lower number of bed days. |
| Procurement Process Efficiency and Price Performance Score | This metric provides an indication of the operational efficiency and price performance of the trust's procurement process. It provides a combined score of 5 individual metrics which assess both engagement with price benchmarking (the process element) and the prices secured for the goods purchased compared to other trusts (the performance element). A high score indicates that the procurement function of the trust is efficient and is performing well in securing the best prices. |
| Sickness absence | High levels of staff sickness absence can have a negative impact on organisational performance and productivity. Organisations should aim to reduce the number of days lost through sickness absence over time. |
| Service line reporting (SLR) | SLR brings together the income generated by services and the costs associated with providing that service to patients for each operational unit. Management of service lines enables trusts to better understand the combined view of resources, costs and income, and hence profit and loss, by service line or speciality rather than at trust or directorate level. |
| Supporting Professional Activities (SPA) | Activities that underpin direct clinical care, such as training, medical education, continuing professional development, formal teaching, audit, job planning, appraisal, research, clinical management and local clinical governance activities. |
| Staff retention rate | This metric considers the stability of the workforce. Some turnover in an organisation is acceptable and healthy, but a high level can have a negative impact on organisational performance (eg through loss of capacity, skills and knowledge). In most circumstances organisations should seek to reduce the percentage of leavers over time. |
| Top Ten Medicines | Top Ten Medicines, linked with the Medicines Value Programme, sets trusts specific monthly savings targets related to their choice of medicines. This includes the uptake of biosimilar medicines, the use of new generic medicines and choice of product for clinical reasons. These metrics report trusts' % achievement against these targets. Trusts can assess their success in pursuing these savings (relative to national peers). |
| Weighted activity unit (WAU) | The weighted activity unit is a measure of activity where one WAU is a unit of hospital activity equivalent to an average elective inpatient stay. |