# Lewisham and Greenwich NHS Trust

## Use of Resources assessment report

University Hospital Lewisham
Lewisham High Street
London
SE13 6LH
Tel: 02083333000
www.lewishamandgreenwich.nhs.uk

Date of publication: 03/07/2020

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? | Good |

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

| | |
|---|---|
| Combined rating for quality and use of resources | Requires improvement |

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

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

## Use of Resources assessment and rating

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

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

## Combined rating for Quality and Use of Resources

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

Our combined rating of quality and resources was requires improvement.

# NHS Trust

## Use of Resources assessment report

University Hospital Lewisham
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Tel: 02083333000
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Date of inspection visit: 11 Feb to 11 Mar
Date of publication: 03/07/2020

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

We visited the NHS trust on 05 March 2020 and met the NHS trust's executive team (including the chief executive), a non-executive director (in this case, the chair and deputy Chair) and relevant senior management responsible for the areas under this assessment's KLOEs.

## Findings

Requires improvement

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

We rated the NHS trust's use of resources as Requires improvement.

- The NHS trust was able to demonstrate that progress had been made in delivering productivity improvements since the last review and over the last year. However, when benchmarked nationally key productivity metrics show room for greater improvement.

- The NHS trusts overall cost per WAU for 2018/19 is £3,851, compared to the national average of £3,469. This places the NHS trust in the 4th (worst) quartile. This means the NHS trust spends more on pay and other goods and services per weighted unit of activity than most other NHS trusts nationally. This indicates that the NHS trust is less productive at delivering services than other NHS trusts by showing that, on average, the NHS trust spends more to deliver the same number of services.
- Individual areas where the NHS trust's productivity compared particularly well included pre-procedure bed days, pharmacy and pathology productivity metrics and an improving financial position.
- Opportunities for improvement were identified in reducing DNA and emergency readmission rates, lowering pay cost per WAU through reducing agency spend and improving sickness absence.
- The NHS trust met its 2018/19 control total of £53.9 million deficit, excluding PSF. For 2019/20 the NHS trust is forecasting to meet its year end control total of £43.5 million deficit excluding PSF.
- Given its financial position the NHS trust is reliant on external loans to meet its financial obligations and deliver its services.
- In 2018/19 the NHS trust's CIP delivery fell short of plan by £5.9 million (delivering £19.6 million against a plan of £25.5 million). However, it was noted that £14.8 million (75%) was delivered recurrently. In 2019/20 the NHS trust is forecasting to deliver 100% of its CIP but 43% will be delivered non-recurrently.

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

- The data reviewed conveys a mixed picture in terms of clinical services and productivity, with some positive metrics and work in key areas, yet with further progress and development work necessary to secure improvement in certain metrics and services.
- At the time of the assessment, the NHS trust had not been meeting the constitutional operational 4-hour performance standard for Accident & Emergency (A&E). Against a significant rise in demand for emergency consultant provided care (Type 1), the NHS trust had high bed occupancy, and high numbers of delayed transfers. These had declined significantly over the summer of 2019 before rising again over the winter of 2019. However, the NHS trust was undertaking a major improvement programme for emergency care, with some benefits already evident: for example, positive feedback from the ambulance service about declining ambulance handover waits, and declining length of stay at Lewisham site in particular.
- Referral to Treatment (RTT) waits for elective care were lengthening overall, and the NHS trust had not met the national cancer 62-day standard throughout 2019/20.
- At 10.1%, emergency readmission rates are slightly above the national median and peer comparator NHS trusts as at September 2019. However, the NHS trust described a range of investigative work and pathway redesign – in respiratory care, for example, within the community services it runs across Lewisham and partner community services, which to the NHS trust consider will reduce re-admissions in key pathways.
- The NHS trust has notably fewer patients coming into hospital unnecessarily prior to treatment compared to most other hospitals in England.
  - On pre-procedure elective bed days, at 0.06, the NHS trust is performing in the lowest (best) quartile when compared to the national median of 0.12.
  - On pre-procedure non-elective bed days, at 0.47, the NHS trust is performing in the lowest (best) quartile when compared to the national median of 0.65.
- The NHS trust's Delayed Transfers of Care (DTOC) rate for December 2019 was in the first(best) quartile at 206 compared with a national median of 610. This measures the total number of bed days lost due to patients not being transferred to a more appropriate care setting.
- However, the Did Not Attend (DNA) rate for the NHS trust is in highest quartile at 14% for December 2019. There has been a gradual decline in the overall DNA rate during 2019, though the overall level remains high compared to the national median of 7% (September 2019). The NHS trust has established an Outpatient Transformation Board and associated cross-service change programme, with a focus on cross-speciality engagement and key mitigating measures, including text message reminder and virtual clinics.
- The NHS trust has engaged positively with the Getting It Right First Time Programme (GIRFT) on clinical productivity. The NHS trust has established a GIRFT Board, chaired by the Medical Director, which receives and monitors action plans arising from each external GIRFT team visit. Each specialty has recruited a GIRFT clinical champion to work with divisional managers to progress recommendations. This Board has made good links with the NHS trust finance function in terms of highlighting productivity opportunities with associated cost savings.
- The NHS trust has also prioritised productivity work for its operating theatres, with a Project Board overseeing a work programme to oversee scoping, planning and implementation across all specialties on both acute sites.

- It was positive to hear about the development of the NHS trust's Quality Improvement Team, who, using a set methodology, are available to support and coach managers and clinical teams in service redesign and productivity projects. This work includes priority projects linked to wider themes with a combined productivity/quality dimension, for example: Health Care Assistant sickness rates and medicines management.

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

- The NHS trust's pay costs remain significantly higher than the national median. Although the NHS trust can demonstrate productivity gains through improved staff retention and a reduction in vacancy rates, sickness remains higher than the national median, contributing the high temporary staffing costs, which have resulted in nursing and medical costs per WAU benchmarking higher than the national median.
- For 2018/19 the NHS trust had an overall pay cost per WAU of £2,058, compared with a national median of £1,771, placing it in the second highest cost quartile nationally. This means that it spends more on staff per unit of activity than most NHS trusts.
- The NHS trust is in the second highest (worst) quartile for medical cost per WAU at £816 compared to the national median of £763 for the 2018/19 period and nursing costs per WAU are in the highest (worst) quartile at £1,148, compared to the national median of £892. The NHS trust attributes this to the costs associated with temporary staffing. In the last few months the trust has implemented controls around the use of temporary staff, including senior sign off of agency shifts and weekly workforce review meetings within each division.
- The NHS trust has undertaken an evidence-based review of staffing requirements for both nursing and medical staff, working to the principles set out in the Developing Workforce Safeguards Guidance. They have introduced new roles such as nursing associates and physician associates, as well as advanced clinical practitioner roles within the nursing, AHP and pharmacy workforce to support the delivery of clinical care.
- AHP cost per WAU is £94 compared to the national median of £121, placing it in the first (best) quartile, meaning the trust spends less on AHPs when compared nationally. The trust has achieved productivity gains through schemes such as the review of Community Orthopaedic Rehabilitation Pathway and extended roles such as the Advanced Clinical Practitioner with extended roles including independent prescribing, ordering of imaging, medical clerking, and medical management to support the emergency department.
- The NHS trust did not meet its agency ceiling as set by NHS England and Improvement for the past two years and is forecasting to miss its ceiling in 2019/20. It is spending more than the national average on agency as a proportion of total pay spend. The NHS trust was unable to achieve significant reductions in the cost of agency and locum staff due to staff sickness.
- The NHS trust has used an e-rostering system for the deployment of nurses, midwives since 2014 and rollout is continuing for AHPs and healthcare assistants. In regard to nursing and midwifery rosters, the NHS trust attainment level position is achieving level 2 and action plans are in place to ensure level 3 is achieved by March 2021. The junior doctor workforce is e-rostered however, further work needs to be undertaken on e-rostering for other medical staff.
- The NHS trust uses an electronic job planning system. During the assessment the trust described that although approximately 90% of consultants were registered on the electronic system, only 10% had reach the final stage of sign off for a complete job plan.
- Staff retention at the NHS trust has shown significant improvement, with a retention rate of 86.2% in December 2019 against a national median of 85.6%. The NHS trust has achieved this through a number of projects to engage their workforce and improve the resilience and sustainability of staff:
- In 2018 the NHS trust launched the respect and Compassion programme to focus on improving culture and expanded their Quality Improvement programme.
- Provided targeted training on values and leadership for all staff with a 50% uptake since August 2019.
- Improvements in flexible working which was recognised by an award from a flexible working consultancy.
- The introduction of capital nurse career clinic and transfer policy and process in 2018 which enables staff nurses to have conversation with senior nurses regarding their careers and for them to take advantage of the internal transfers without the need for an interview.
- Improved timescale to hire.
- At 5.34% in December 2019, staff sickness rates are worse than the national average of 4.77%. The NHS trust has implemented regular support meetings for staff, "staff voice" meetings and "you said, we did" communications, although these have not yet had an impact on staff sickness levels.

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

- The NHS trust exhibits good use of its clinical support services in most areas, based on a range of metrics and NHS trust interventions over the last 12 months.
- For Pathology services the overall cost per test at the NHS trust benchmarks favourable based on the latest data (March 2019) at £1.70 compared to £1.73 for peers and £1.80 nationally. Cost per FTE is in the top quartile nationally. Costs for cellular pathology and microbiology tests compare particularly favourably.
- The NHS trust is committed to a pathology network collaboration with two other NHS trusts, with a business case underpinned by forecasts of significant expected savings. The South East London direct access service has been retained recently, and there has been positive work in demand management schemes with primary care.
- For Pharmacy services, the NHS trust's medicines cost per WAU is lowest quartile when compared nationally, at £305 (2018/2019), compared to the London median of £359, and national median at £369. As part of the Top Ten Medicines programme, it is making good progress in delivering on nationally identified savings opportunities, achieving delivered savings of £2.07 million in the first year of the programme and additional savings of £1.39 million in 2018/19 and £1.55 million in the 2019/20 period to date.
- Metrics on pharmacist time on clinical activity and stockholding time have improved and compare well with the national median; during 2019 the percentage of pharmacists actively prescribing has increased and will increase further as additional pharmacists are trained. Stockholding levels (in days supply) were relatively high at the NHS trust but have started to reduce towards the national median.
- For Radiology services, the Did Not Attend (DNA) rate is particularly high relative to the national median for a range of services. including MRI, CT, ultrasound and DEXA (bone density scan), based on the latest data, from March 2019. Backlog reporting compares favourably to the national median, yet the NHS trust position appears to have worsened over the past 12 months.
- However, the NHS trust has prioritised significant investment in equipment for replacement taking into consideration available capital funds for agreed replacements and the total backlog of equipment needing replacement. There has also been positive work on demand management: with a programme for direct access ultrasound, based on sonographers vetting all requests, plus guidelines were shared with referring GPs and GP education sessions were delivered. The NHS trust also established an internal demand management group to review out of hours CT requests, and patients presenting with confusion, falls, plus patients with abdominal pain. In addition, a daily review of inpatient requests outstanding for MRI is undertaken by clinical leads to consider for outpatient appointments instead.
- Metrics around direct costs for radiology compare favourably with the national median. Agency, bank and overtime as a percentage of total imaging costs had been worsening over 2018/19, though these metrics have declined towards the end of 2019. In addition, there has been a focus on hard-to-fill roles: there are shared consultants posts are in place with Guys and St Thomas' NHS trust in interventional radiology and musculo-skeletal services, with further posts planned for breast and paediatric imaging; sonographer recruitment has improved, in part due to retention premia and overseas recruitment; and staff development and training is prioritised, for example supporting postgraduate studies in mammography, appendicular and axial skeleton reporting, CT colonography, ultrasound, and nuclear medicine, plus a rolling training programme to develop staff into new extended role. These have assisted in tackling agency, overtime and bank costs, which have reduced over 2019, as have outsourcing costs.

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

- The NHS trust had an overall non-pay cost per WAU of £1,421, compared with a national median of £1,307, placing it in the highest cost quartile nationally for 2017/18, the last date that this metric was calculated. Within this areas there remain productivity opportunities across the finance function, procurement and estates and facilities with plans for improvement over the coming year.
- The cost of running the Finance department is higher than the nation average of £653,000 at £802,000, placing the trust is the worst quartile. However, they have delivered some cost reduction since 2017/18. The NHS trust has eliminated some agency costs through the appointment of permanent senior members of the team and are planning a full review of the finance team following the appointment of the new Chief Financial Officer.
- The NHS trust demonstrated that their procurement processes are relatively efficient and tend to successfully drive down costs on the things it buys through the Smarter Together shared service created by Guy's and St Thomas's NHS Foundation trust. The percentage variance from median price and percentage variance from minimum price also suggest that the NHS trust is getting the best prices from its procurement operations.

- However, this is not reflected in the NHS trust's Procurement Process Efficiency and Price Performance Score of 40, which placed it in the lowest quartile when compared with a national average of 69. The low score is attributed to the non-submissions by the NHS trust of some data returns. This has since been rectified and is expected to be reflected in improvements in the score in the future. This is also affected by the Standards of Procurement Assessment and is awaiting allocation of an assessment team which is not within their control.
- At £622 per square metre in 2018/19, the NHS trust's estates and facilities costs benchmark significantly above the national average of £377 per square metre. Backlog maintenance costs in 2018/19 are £235 per square metre against a national average of £291 per square metre. There has been a reduction in costs from the previous assessment however, the NHS trust continue to be challenged around the high costs associated with its Private Finance Initiative (PFI) contract, which covers a significant part of the estate at both sites. During 2019/20 the NHS trust negotiated a new soft estates and facilities management contract which came into effect in February 2020 which will reduce the cost of these services by £3.4 million p.a.

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

- Whilst the NHS trust is in deficit it has demonstrated an improvement in its financial position over the past 12 months and has met its control total in 2018/19 and forecasts to meet its control total for 2019/20.
- The NHS trust met its 2018/19 control total of £53.9 million deficit, excluding PSF. However, the NHS trust's CIP delivery fell short of plan by £5.9 million (delivering £19.6 million against a plan of £25.5 million). It was noted that £14.8m (75%) was delivered recurrently.
- In 2019/20, the NHS trust is reporting a deficit of £39.5 million excluding PSF at January 2020 which is in line with its plan. It is reporting a year to date CIP slippage of £3.8 million which it has mitigated through non-recurrent measures and other areas where it has tightened its grip and control. The NHS trust is forecasting to meet its year end control total of £43.5 million deficit excluding PSF and is forecasting to deliver 100% CIPs of which 43% will be delivered non-recurrently.
- The NHS trust has begun looking at transformation programmes and some work has begun in LOS and theatre utilisation. The NHS trust is working closely with clinicians on the GIRFT programme to support the financial position through more recurrent measures.
- The NHS trust continues to be reliant on external cash support in light of its deficit position in order to meet its financial obligations and pay its staff and suppliers in the immediate term. This is reflected in its capital service and liquidity metrics which both score the worst rating against the Use of Resources metrics. Rolling cash flow forecasts are produced and maintained, alongside other indicators of the health of the balance sheet, such as aged debtor and creditor profiles, and performance against the better payment practice code.
- The NHS trust has well developed costing information including SLR. The NHS trust recently used SLR to review low contribution services and uses SLR data alongside GIRFT and model hospital with divisional teams to inform their understanding of service provision in their areas.
- In the last 12 months, the NHS trust has used external consultancies to support waiting list validation and this contract has now ceased. The other use of consultants has been to support the strategic outline case work for Queen Elizabeth Hospital.

There is not much private income opportunities for the NHS trust, but it receives car parking income. The processes for receiving overseas income is currently under review by independent data specialists.

## Areas for improvement

- The NHS trust has one of the highest DNA rates in the country. The trust should implement further actions to ensure this is reduced.
- The NHS trust should continue working to reduce emergency readmissions through pathway redesign.
- The NHS trust should implement measures to ensure a sustained reduction in Radiology DNA rates and reduce delays in unreported radiology examinations.
- The NHS trust should prioritise and progress GIRFT recommendations for Radiology.
- A continued focus is required to reduce the high agency and sickness rates in medical and nursing workforce.
- The NHS trust needs to ensure the use of e-rostering is rolled out to all medical staff.
- The NHS trust needs to improve the percentage of job plans for consultants that are signed off.

- The NHS trust should ensure that CIP is delivered in line with plan and with the maximum amount of recurrent savings possible.

# 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 →← Jul 2020 | Good Jul 2020 | Good →← Jul 2020 | Requires improvement →← Jul 2020 |

**Trust level**

| Well-led | Use of Resources |
|---|---|
| Good Jul 2020 | Requires improvement →← Jul 2020 |

**Overall quality**

Requires improvement →← Jul 2020

**Combined quality and use of resources**

Requires improvement →← Jul 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. |