Wrightington, Wigan and Leigh NHS Foundation Trust

Use of Resources assessment report

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This report describes NHS Improvement's assessment of how effectively this trust uses its resources. It is based on a combination of data on the trust's performance over the previous twelve months, our local intelligence and qualitative evidence collected during a site visit comprised of a series of structured conversations with the trust's leadership team.

How effectively is the trust using its resources?	**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 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 7 November 2017 and met the 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

Is the trust using its resources productively to	Good ●

maximise patient benefit?	

We rated use of resources as 'good' because the trust is achieving good use of resources, enabling it to provide high quality and sustainable care for patients:

- The trust reported a surplus of £13.6m for 2016/17 (including £13.5m Sustainability and Transformation Funding, STF) which was better than plan and the designated control total of £3.7m surplus. The trust is forecasting to deliver a deficit of £1.2m against a planned deficit of £0.7m in 2017/18 (due to a shortfall in performance related STF), but is forecasting to deliver its planned deficit of £7.1m excluding STF.
- The trust manages its finances so that it is not reliant on external cash support in order to meet its obligations and deliver its services.
- For 2016/17 the trust has an overall cost per WAU of £3,543 which was slightly higher than the national median of £3,484, indicating that it spends slightly higher than the national average at delivering services. However, the trust gave a number of examples of innovation and best practice in delivering productivity savings across the spectrum of clinical services, people, corporate and back office and clinical support services.
- The trust has a well embedded joint pathology network with Salford NHS Foundation Trust that has delivered significant savings as evidenced in reductions in pathology cost per test.
- The trust has an outstanding procurement department that is rated number one (best) in the country on the Procurement Efficiency and Price Performance Assessment (PEPPA) score.
- The trust has exemplar performance in Delayed Transfers of Care (DTOC) which it attributes to its truly integrated approach to discharge which exists within the Wigan locality and the continuous development of the Integrated Discharge Team (IDT).
- The trust gave evidence of examples where it is using costing information by division and clinical area to inform decision making.

However:

- There were a number of areas where the trust recognised that further work needs to be done in order to realise productivity improvements, including medical job-planning and e-rostering, reliance on non-recurrent savings and the high cost of nursing and Allied Health Professional (AHP) staff per WAU when compared to peers.

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

- At the time of the assessment, the trust was meeting the core operational performance standards of Referral to Treatment and Cancer waiting times.
- The trust is an exemplar for DTOCs with performance averaging 1.2% against a national average of 6.2% (Quarter 1, 2017-18). The trust attributes this success to the truly integrated approach to discharge which exists within the Wigan locality and the continuous development of the Integrated Discharge Team (IDT); latest developments include a focus on homelessness.
- The trust's DNA (Did Not Attend) performance is in the median range at 7.6% as at June 2017, which is an improvement on the same period the previous year (9.2% at June 2016).
- To date, the trust has fully engaged with the Getting It Right First Time (GIRFT) initiatives, five reviews have been undertaken to date in Ear, Nose and Throat (ENT), Orthopaedics, Maxillo-Facial, Vascular, and Obstetrics and Gynaecology. GIRFT found the trust to be an exemplar provider of orthopaedic services.
- The trust demonstrated commitment to effective emergency pathway clinical productivity

by providing evidence of effective system working to ensure minimal delays to the patient's journey via the Integrated Discharge Team. The trust also gave examples of collaboration with local health and social care partners to ensure elective clinical productivity is maximised, such as shared services and management arrangements on high pressure services with Bolton NHS Foundation Trust to build resilience.

- Pre-procedure bed days for elective procedures are in the lower quartile at 0.09 as at June 2017; success in this area has been supported by further development of a one stop pre-operative clinic.
- The trust has performed better than the national median for non-elective pre-procedure bed days in Q1 2017/18 at 0.54, with a slight improvement in performance from Q1 2016/17 when the trust had non-elective pre-procedure bed days of 0.57.
- Whilst the trust compared slightly better than average on emergency readmissions, at 7.49% in June 2017 the position has deteriorated slightly since March 2017 (6.2%). The trust has introduced initiatives to address the decline such as the Wigan Care Home Reform Board to support admission avoidance for care homes and provided evidence of analysis to understand the drivers of this issue.

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

- The trust costs are higher than median for nursing and Allied Health Professional (AHP) WAU, which means the trust spent more on these staff to produce one unit of clinical output than peers.The trust believes that this position will have improved during 2017/18 due to a nursing establishment review undertaken in September 2017 which is reported to have resulted in reduced costs, and also explained that its innovative approach to staffing models to manage medical staff shortages is a contributing factor (described below). The trust stated that higher than average AHP costs were as a result of Operating Department Practitioners (ODP) pressures in theatres and further work is needed in this area to identify efficiencies.
- Whilst the trusts' WAU cost for AHPs and nurses is higher than others, WAU for medical staff is lower than most (quartile two).
- The trust provided examples of new staffing models, where therapists and nurse consultants are being used in roles previously undertaken by medical consultants, one example of this is in Care of the Elderly. The trust has also established an innovative and successful 'learn, earn and return' medical overseas recruitment programme which has benefitted the trusts own medical staffing levels as well as other organisations across the North West, with the trust acting as a lead employer for these overseas doctors.
- As at September 2017, the trust has consistently spent below the agency ceiling year-to-date and has improved agency spend by a commendable 21% compared to the previous year. The trust provided documented evidence of the robust processes in place to control agency expenditure, including a copy of a recent audit by Mersey Internal Audit which provided significant assurance in relation to agency protocols.
- Staff retention, at 88.5% (August 2017) is strong, with the trust in the highest quartile nationally. The trust provided evidence of the staff engagement programme, Go Engage, which has been marketed outside the trust and contributes to trust income.
- Staff sickness levels, at 4.21%, are above the national median of 3.74%, however, the trust gave evidence of a number of schemes in place to support staff wellbeing, such as Happy Backs and Steps4Wellness.
- There is opportunity for efficiencies through better use of consultant job planning, with the Electronic Staff Record showing 70% job plan compliance. The trust recognised this and stated that there is a specific cost saving transformation programme focussed on full implementation of an electronic job planning system at present.

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

- The trust has established an innovative joint pathology service as a result of its collaborative arrangement with Salford NHS Foundation Trust which has yielded significant efficiencies; based on Greater Manchester data provided by the trust, this joint venture has seen its average cost per test reduce from £1.61 in 2015/16 to £0.61 in 2016/17 (NHSI 2016/17 Pathology Validation report). There is a clearly articulated ambition for the pathology network to be extended across the wider Greater Manchester Sustainability and Transformation Partnership (STP) footprint. Collaborative services in respect of imaging services were still being developed across Greater Manchester.
- The trust has a comparatively low cost per WAU for medicine at £276 in comparison to the national average of £312 and a peer group comparison of £288. The trust is making good progress in meeting its in-year cost reduction targets with it achieving 91% of its year-to-date top 10 medicines savings target to September 2017. Collaborative working via a Greater Manchester Pharmacy Devolution group has also supported wider cost reductions and has helped reduce variances in planned expenditure levels from a group average of 13% in 2013/14 down to 5.8% in 2016/17.
- The trust has used technology innovatively in a number of areas, for example it won an award from the Chartered Institute of Personnel and Development (CIPD) for digital innovation in human resources for Go Engage. It is currently in the process of implementing the Allscripts Healthcare Information System across clinical services; the impact on the trusts efficiency will be able to be assessed once the system is fully implemented.

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

- The trust has an outstanding procurement service, as evidenced by scoring number one (best nationally) in the Procurement Efficiency and Price Performance Assessment (PEPPA) score, a success which has been achieved via the implementation of a long term strategic procurement plan. This included a holistic approach to people, data and technology with the use of high visibility data on a procurement dash board. The trust described instances where it shares best practice in this area with peers.
- The trust has made efficient use of its estate reducing its backlog maintenance costs to £127 per m2 in 2016/17 (in comparison to £168 per m2 in 2015/16). The trust uses its six-facet survey to inform investment decisions and regularly speaks with its operational estate managers to reprioritise and risk assess its backlog maintenance areas. The costs for its soft facilities management services appear higher when compared to other providers with a cost per WAU of £227 in comparison to a sub-regional average cost per WAU of £139 (2015/16 data).
- The trust has an estates strategy which is reviewed every year with a view to optimising the use of its estate. During 2016/17 it disposed of two of its sites at the Leigh Royal Infirmary and a third disposal is planned alongside further rationalisation of the estate in 2017/18.
- The trust's finance costs are £903.6k per £100m turnover (2015/16) in comparison with the national lower cost quartile of £643.5k and a peer average cost of £592.5k. However, the trust has established directorate cost reduction targets of 5%, and has demonstrated evidence of some year to date back office savings.

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

- The trust reported a surplus of £13.6m for 2016/17, which included £13.5m Sustainability

and Transformation Funding (STF). Alongside this, a score of one (best possible) was delivered by the trust on the capital service cover, liquidity and distance from plan financial metrics.

- The trust is forecasting to deliver a deficit of £1.2m against a planned deficit of £0.7m in 2017/18 (due to a shortfall in performance related STF), but is forecasting to deliver its planned deficit of £7.1m excluding planned STF of £6.4m. The trust reported 2016/17 savings of £7.1m (2.5% expenditure) of which 29% was reported as recurrent, with a further £3.6m delivered through income generation schemes. At September 2017 the trust was forecasting to deliver cost savings of £9.6m (3.3% of expenditure) against a target of £13m, which has been compensated to some degree by income generation schemes of £2.1m compared to a plan of £1.0m. Of the £9.6m, 59% will be delivered non-recurrently which represents pressure on the 2018/19 financial position.
- The trust acknowledged that identifying savings was becoming more challenging and developed a new and exemplar process for identifying savings for 2017/18 and beyond, with 'Big 12' trust-wide transformational schemes alongside divisional schemes, badged as the best review NHS Improvement had seen in three years. As at September 2017 the trust was delivering savings of £4.9m against its plan of £5.4m.
- The trust's cash balance at the end of 2016/17 was £11.7m and it is forecasting a closing cash balance of £11.8m at the end of 2017/18. The trust is not reliant on financial borrowing to maintain a positive cash position.
- The trust uses costing information by division and clinical area well to inform decision making (service line reporting), including to identify savings, maximise contribution from profitable services and divest from loss-making services where clinically appropriate. The trust is also an early implementer for a cost transformation programme which combines patient-level information and costing.
- The trust attracts income from a diverse range of sources, and is developing a brochure for a number of services it is selling to nearby organisations, for example providing catering services to other hospitals and local schools.

Outstanding practice

We saw a number of areas of good practice across each of the key lines of enquiry, with the following example of outstanding practice:

- The trust is an exemplar for Delayed Transfers of Care performance due to the trust's multidisciplinary IDT being co-located on the acute site, a model that is well embedded and has been running successfully for a number of years. This has resulted in DTOCs performance being significantly lower than national average, at 1.2% against a national average of 6.2% (Quarter 1, 2017-18).
- The trust has an exemplar overseas recruitment programme 'learn, earn and return' and is a lead employer for these overseas doctors which has benefitted the trust as well as other trusts across the North West; improving the skill set of returning overseas medics, supporting itself and other local trusts in the recruitment of medical staff, and helping the trust to manage its medical agency usage.
- The trust is number one rated on PEPPA score in the country, with consistently low levels of stockholding and demonstrable reductions in medicines spend as a result.

Areas for improvement

The trust demonstrated a number of areas of outstanding practice, but there were also areas that the trust itself recognised needed further development in order to realise efficiencies:

- The trust relied on high levels of non-recurrent savings to deliver its financial position in 2016/17 and a high proportion of its savings plans for 2017/18 included non-recurrent items, which serves to compound the challenge in future years. The trust is cogniscent of this and we recognise the excellent work that has been done on approaching savings that is delivering efficiencies for 2017/18 and beyond.
- Progress to address the higher than average cost per WAU for ODP staff within AHP's has been limited.
- The job planning and e-rostering of medical staff represents a productivity opportunity for the trust.

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.

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	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.

million turnover	
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	This metric looks at the length of stay between admission and an elective

elective bed days	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.
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.
Single Oversight Framework (SOF)	The Single Oversight Framework helps NHS Improvement identify NHS providers' potential support needs across five themes of quality of care, financial and use of resources, operational performance, strategic change, leadership and improvement capability.
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.