Salford Royal NHS Foundation Trust

Use of Resources assessment report

Salford Royal NHS Foundation Trust,
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24 August 2018

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	**Outstanding ☆**
Are services safe?	**Good ●**
Are services effective?	**Good ●**
Are services caring?	**Outstanding ☆**
Are services responsive?	**Outstanding ☆**
Are services well-led?	**Outstanding ☆**

Our overall quality rating combines our five trust-level quality ratings of safe, effective, caring, responsive and well-led. These ratings are based on what we found when we inspected, and other information available to us. You can find information about these ratings in our inspection report for this trust and in the related evidence appendix. (See www.cqc.org.uk/provider/RM3/reports)

Are resources used productively?	**Outstanding ☆**

Combined rating for quality and use of resources	**Outstanding ☆**

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 first 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 outstanding because:

Our overall rating of the trust stayed the same. The overall rating was outstanding.

- Safe and effective were good. Caring, responsive and well-led was outstanding. The rating for surgery improved and the rating for critical care stayed the same. Because we previously inspected outpatients jointly with diagnostic services, we cannot compare our new ratings directly with previous ratings. The rating for outpatients was good.

- We rated community dental services as good. This service had not been inspected previously.

- The rating for urgent and emergency care and medicine went down from outstanding to good. This was because waiting times for treatment and arrangements to admit, treat and discharge patients consistently remained an issue and were not always in line with good practice. There were challenges with nurse staffing which did not meet the planned numbers for some of the medical wards. There were gaps in recording in nursing records and checks to equipment.

- The rating for surgery improved from requires improvement to good. The service used safety monitoring results well, and had implemented plans to improve its compliance with the surgical safety checklist. We observed some excellent patient care.

- The trust was rated outstanding for Use of Resources.

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Tel: 0161-789 7373
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Date of site visit:
01 May 2018

Date of publication:
<xx.MONTH.201x>

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?	**Outstanding** ☆

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 01 May 2018 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 maximise patient benefit?	Outstanding ☆

- We rated the trust's use of resources as outstanding.
- The trust has a clear focus on productivity, and performs exceptionally well on a number of metrics. The trust benefits from prioritising internal investment over a number of years in clinical leadership, digital technology, and an innovative integrated care model. The trust has unlocked the potential of a hospital group model in reducing clinical supplies variation, consolidation of corporate services and increased purchasing power.
- The trust reported a surplus of £18m in 2017/18 and is forecasting a surplus of £5m in 2018/19. At the end of 2017/18 the trust had a cash balance of £55m and the trust is not reliant on external loans to meet its financial obligations and deliver services.
- For 2016/17, the trust had an overall pay cost per WAU of £1,830, compared with a national median of £2,157, placing it in the lowest (best) cost quartile nationally. This means that it spends less on staff per unit of activity than most trusts. The trust is in the lowest (best) quartile for nursing and medical cost per WAU.
- Agency spend is only 3% of the total pay bill which is significantly below the national average of 4.6%. The agency cost per WAU is £55, which is below the national median of £137 and places the trust in the lowest (best) quartile.
- The trust is an innovator for using technology to improve productivity and patient care:
    - an electronic secure messaging system "Patient Pass" in Renal services supports remote management of patients in a hub and spoke model. The system has interoperability with patient records and allows for a recorded communication between clinical teams across the network.
    - the Salford Integrated Care Record has been an enabler to effective working across the integrated organisation, allowing staff across primary, acute, community, and social care services to access a single summary care record.
    - Real time clinical acuity tool to review staffing levels and compare these to patient acuity to ensure the trust can direct resources where the care is required most. The trust gave examples of how this was being used to support patients receiving the highest quality of care but also supported staff to ensure the right level of staff is allocated to specific areas. This has also delivered efficiency savings as demonstrated by the nursing pay cost per WAU being in the lowest quartile nationally.
- The trust has implemented innovative approaches to tackle the national pressures of the availability of clinical workforce. The trust has created a Rotational Clinical Fellow Programme whereby medical staff not on a traditional training programme are employed by the trust for an extended period of time and allocated to specialties experiencing workforce difficulties. In return, the medical staff are provided with tailored university-developed training and portfolio and job security as these positions are for three years compared to the usual one year period. Another example is a Radiotherapy Academy to attract and retain staff.
- The trust is a national exemplar for integrated care, being one of a small handful of trusts that directly employs social care workers and primary care, in addition to being the prime

vendor for mental health services. This is having direct benefits for patients, through their continuity of care; and the trust, such as reducing DTOCs; but also supports the wider health and social care system, such as delivering training programmes to nursing homes.

- The trust is a leading figure in the move to shared services for clinical support and back office services. It operates a joint venture for pathology and decontamination, leading to the lowest pathology cost per test in the country. Transactional financial services have been outsourced and the trust has consolidated all corporate services with Pennine Acute NHS Trust, releasing £10m of savings during 2017/18 (of which £4m relates to Salford).

- Non-pay cost per WAU is £1,860 against a national median of £1,301 which places the trust in the highest (worst) quartile. However, the trust attributed this to having social care related costs (including residential placements and domiciliary packages of care costs) and being a national centre for a number of high drug costs (Home Total Parenteral Nutrition, enzyme therapy, intravenous immunoglobulin, and Multiple Sclerosis). Data provided by the trust shows that adjusting for these services gives a more comparable non-pay cost per WAU of £1,269, which is below the national median and in the second lowest (best) quartile. This low non-pay cost per WAU is corroborated by the low cost of corporate services,and supplies and services costs which are all below the national median.

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

- The trust performs strongly across a range of clinical productivity indicators which it attributes to having a deeply embedded quality improvement culture, including a strong focus on measurement. The trust has a clear understanding of the challenges to operational productivity in clinical services; it has identified bed occupancy and 'super-stranded' (length of stay over 21 days) patients as strong predictors of urgent care performance, which the trust is tackling through regular corporate flow meetings, daily reports and an 'adopt a ward' system for the senior leadership.
- The trust has had measurable success in reducing length of stay in its intermediate care bed base, from 34 days in 2015 to 26 days in 2017. This was achieved through a Quality Improvement approach and included the adoption of a universal electronic patient record (the Salford Integrated Care Record), changes in staffing models and the introduction of standardised outcome measures. The improvement has allowed the trust to accept an additional 181 patients without increasing the bed base.
- The trust's progressive approach to introducing an innovative integrated care model is releasing a number of benefits including a reduction in DTOCs and stranded patients. Salford Royal is a provider of hospital, community, primary care and adult social care services, with social care staff employed directly by the trust. It also acts as a primary vendor for mental health services through a contract with Greater Manchester Mental Health. The trust attributes improvements in stranded patients to its direct involvement in these services, and a more holistic approach to planning discharge and mainlining functional capacity. It has introduced rapid response services to get people home from the Emergency Department, Multi-disciplinary team frailty assessments and an integrated discharge team. The trust has tested models to reduce non-elective demand such as risk-stratified Enhanced Care Teams, and integrated fall, MSK and long-term condition pathways.

- The trust reports a delayed transfers of care (DTOC) rate in February 2018 that is lower than average, at 3.4% (against a national average of 4.2%), and lower than the trust's own 3.5% target rate. DTOC rates have been improving between February 2017 and February

2018. In particular Trafford DTOCs have improved in the last 18 months, from being over 40% of the trust's DTOCs to less than 20%, due to a number of initiatives including increased social worker presence, new escalation processes, additional discharge to assess capacity, and shared operational leadership at the Salford site.

- The trust's own data reports a reduction in the underlying rate of cancelled operations (for non-clinical reasons) to 2.48% in 2017/18, when discounting a number of major incidents, compared to 3.64% in 2016/17.
- Patients are considerably less likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 5.66%, emergency readmission rates (30 days) are within the top 10% of non-specialist trusts nationally in the third quarter 2017/18.
- The trust provides a number of tertiary services such as Stroke, Renal and Neurosciences. It uses an electronic secure messaging system "Patient Pass" in Renal services that supports remote management of patients in a hub and spoke model. The system has interoperability with patient records and allows for a recorded communication between clinical teams across the network. The introduction of this system has released 0.4 FTE of dedicated medical staff time for direct patient care and the trust is expanding to other specialist services.
- The Did Not Attend (DNA) rate for the trust is relatively high at 9.45% for the third quarter 2017/18, compared to the national median of 7.37%. Use of telemedicine has been introduced in specialised services such as metabolic medicine, intestinal failure and dermatology where patients may have to travel long distances to see a consultant.
- The trust has ambitious plans to reduce DNA rates toward the national median, with a focus on high volume specialties such as orthopaedics and gastroenterology. A key element of the trust's strategy is the introduction of a new digital platform for managing appointments and patient contact. Additionally, Salford have commissioned demand and capacity modelling across the Northern Care Alliance to earlier anticipate, any requirements for additional capacity and ensure patients receive adequate notice. At the time of the assessment it was too early to evaluate the impact of these actions.
- Fewer patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England. On pre-procedure elective bed days, at 0.13, the trust is performing at the median (0.13) when compared nationally. On pre-procedure non-elective bed days, at 0.66, the trust is performing above the median (0.78) when compared nationally.
- The trust has fully engaged with the Getting It Right First Time (GIRFT) programme, arranging full MDT meetings for dissemination of reports with the national programme teams. Salford has developed action plans for a number of specialties approved and tracked through local directorate business meetings, and monitored through divisional efficiency meetings. Following feedback from the GIRFT team, the trust has made changes to the planning of trauma rotas, relocated some elective practice to the Manchester Orthopaedic Centre, and introduced MDT meetings within subspecialties.
- At the time of the assessment in May 2018, the trust was meeting the constitutional operational performance standards around Cancer (urgent GP referral) and Referral to Treatment (RTT). The trust was not meeting the Accident & Emergency (A&E) with 82.5% in April 2018 or Diagnostic access standards at 3.9% in March 2018.

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

- The trust benchmarks extremely well across a range of workforce metrics demonstrating a highly productive workforce. In addition, the trust has deployed technology and innovative solutions to tackle the significant national workforce challenges.
- For 2016/17 the trust had an overall pay cost per WAU of £1,830, compared with a national median of £2,157, placing it in the lowest (best) cost quartile nationally. This means that it spends less on staff per unit of activity than most trusts. The trust is in the lowest (best) quartile for nursing (£561 against a national median of £717) and medical (£397 against a national median of £526) cost per WAU, although it benchmarks in the second lowest (best) quartile for AHP cost per WAU (£112 against a national median of £127). The trust gave examples of how it continues to try and increase productivity and efficiency of its workforce, for example the use of innovative technology in community settings to plan routes based on patient priority. In outpatient clinics medical documentation had been standardised to ensure a lack of variation in the information obtained by clinicians, which as a result increased productivity by ensuring clinics ran to schedule and patients were seen within their allotted appointment time.
- All consultants have a job plan and this is aligned to rotas. The trust also uses job planning across its wider workforce including Allied Health Professionals and Specialist Nurses. The trust gave examples of how they had changed job plans in response to GIRFT reviews to increase productivity, for example they have reduced the number of consultants undertaking anterior cruciate ligament reconstructions to ensure those consultants who do perform this procedure perform the procedure more frequently to ensure the best patient outcomes .
- The trust's 2017/18 agency ceiling has been set by NHS Improvement at £8.6m and the actual spend was £10.1m. The trust's overall percentage agency spend has reduced from 3.7% to 3% over the past three years, which is significantly below the national average of 4.6%. This is reflected in the agency cost per WAU of £55, which is significantly below the national median of £137 and places the trust in the lowest (best) quartile.
- The trust has analysed the areas of agency spend and has identified that over this period the make-up of this spend has changed from nursing to medical staff which reflects the national pressure on medical workforce. As an example, Trauma and Orthopaedics accounts for the biggest level of spend because the trust became a major trauma centre and therefore has seen an increase in demand and work in this area.
- Staff sickness levels, at 4.58%, are above the national median of 4.03%, but only marginally higher than their peer group (trust size – spend) median of 4.39%. The trust gave evidence that the increase was related to integration of social care and community services staff, services with generally higher than NHS average levels of staff sickness. In particular, the impact of social care staff increases the sickness absence rate by 0.25%. The trust acknowledged further work was required to address the higher sickness absence in certain staff groups.
- Staff retention, at 89.3% against a median of 86%, is strong, with the trust in the highest (best) quartile nationally.
- The trust proactively uses technology and innovation to support effective use of its workforce. The trust has adopted a real-time electronic nursing acuity tool which looks at staffing levels and compares this to patient acuity to ensure they can direct resources where the care is required most. The trust gave examples of how this was being used to support patients receiving the highest quality of care but also supported staff to ensure the right level of staff is allocated to specific areas. The impact of this technology is reflected in the nursing cost per WAU which is in the lowest (best) quartile nationally. The trust explained how it had reviewed staff survey results which indicated staff do not like moving to different areas and how the trust was using the electronic acuity tool to manage this. The

trust stated it was too early to tell whether this tool had had an impact on retention or staff sickness.

- The trust has implemented training programmes to increase system wide capacity across the healthcare economy to ensure efficient and effective use of staff. Examples of this include the development of e-learning modules by the Dietetics and Speech and Language Therapy Teams to deliver training to nursing and care home staff regarding malnutrition which is linked to accreditation programmes both in hospital and community settings. Rehabilitation Service staff work on a rotational basis to ensure that all staff increase and maintain skills in all aspects of rehabilitation, which results in capacity to cover the service in times of increased demand/pressure.
- The trust has calculated a current shortfall of approximately 200 whole time equivalent medical staff. This is reflected by gaps in junior doctor rotas and national challenges in recruiting consultants to some specialties.
- The trust uses a blended medical workforce which includes utilising Advanced Nurse Practitioners and Physician Associates to support gaps in medical rotas and negate the need to employ locum doctors.
- The trust has developed an innovative Rotational Clinical Fellow Programme whereby the trust employs doctors into a new rotational role where the trust offers flexible roles up to 3 years in duration to doctors and provides training in different specialties. Placements for these staff are planned in advance and are located in the specialties with the highest need (agency spend). This training programme is supported by a university-developed educational plan for staff on this programme. The trust currently has 30 doctors in these posts.

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

- The trust clearly recognises the fundamental importance of clinical support services in delivering high quality care, which is reflected in the excellent performance against a range of metrics and the investment in systems and collaborative working.
- For pathology, the overall cost per test for the trust is £0.60 against a national median of £1.91. The trust is in the lowest (best) quartile and lowest cost in the Country. This low cost is because the trust has a well-established Joint Venture with a neighbouring trust, with whom they also have a decontamination Joint Venture.
- The trust is working collaboratively with the Greater Manchester Pathology Network to implement the recommendations from the Carter Review into operational productivity in the NHS of a hub and spoke delivery model at scale. The trust is very actively engaged in this programme both at a local delivery level and at the Network.
- There is an established history of working together and an active project to implement shared Picture Archiving and Communication System (PACS) across the collaborative. They have also invested and introduced the ability for home working for radiologists.
- The trust has invested in its own Radiology Academy as a vehicle to develop and retain its workforce.
- Medicines cost per WAU at £626 is above the national median of £320 which is the highest (worst) quartile and one of the highest in England. However, the trust's headline medicine spend is not a representative comparison because it includes significant medicine spend on a number of services where the trust is one of only a handful of trusts providing the service, such as social care Home Total Parent Nutrition, enzyme therapy, intravenous

immunoglobulin and Multiple Sclerosis. Adjusting for these services gives a cost per WAU of £245, which is below the national median and in the second lowest (best) quartile. This low medicines spend is backed up by other key indicators (see below).

- The Pharmacy team is an integral part of the clinical ward teams and with electronic prescribing and discharge summaries indicated an impact on patient discharge and potential length of stay. It should be noted that the trust has strong clinical pharmacy leadership.
- They are achieving above target against % Top Ten Medicines, delivering 162% which places them 4th in the Country.
- The stockholding days for medicines reported by the trust is 7 days compared to a national median of 18.8 days.
- There was a clear theme of maximising the impact of technology and innovation throughout the trust and it provided some examples of the use of technology with home working diagnostic radiology reporting, electronic prescribing, and discharge summaries. The trust has developed a click and collect model with a chemist for patients to whom it provides an outreach service. It has a Salford Care Record for patients which sits across hospital, GP Primary Care and moving to social care.

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

- The trust performs strongly across the full range of corporate, procurement, estates and facilities. The trust has fully embraced benefits of collaborative working through the move to share financial services and the full consolidation of all corporate services with Pennine Acute NHS Trust, which delivered £4m of savings during 2017/18.
- 2016/17 Non-pay costs per WAU is £1,860 against a national median of £1,301, which places the trust in the highest (worst) quartile. The trust indicated that this is due to the inclusion of social care related costs and high drug costs (Home Total Parenteral Nutrition, enzyme therapy, intravenous immunoglobulin) from being a national centre. Adjusting for these services gives non-pay costs per WAU of £1,269, which is below the national median and in the second lowest (best) quartile. This low non-pay cost per WAU is corroborated by the cost of corporate services, and supplies and services costs (see below).
- The trust has consolidated all corporate services with Pennine Acute NHS Trust, with whom they have a joint Chair and Chief Executive, which released £10m of efficiencies during 2017/18 (£4m of which relate to Salford).
- The trust is actively engaged in exploring further collaborations with neighbouring trusts and is actively working within the Greater Manchester Health and Social Care Partnership to align corporate service functions.
- The trust has a 2016/17 finance cost per £100m turnover of £379,647 which is below the national median of £743,324. The trust has outsourced transactional finance provision to East Lancashire Financial Services and they actively ensure that this is efficient. There is potential for this to be a model from which other providers can learn.
- The 2016/17 Human Resource costs are below the national average, with costs per £100m turnover of £874,480 compared to a national median of £1,005,507.
- 2016/17 Legal costs per £100m turnover at £152,000 are above the national median of £95,196. The trust indicated that this was due to legal reviews related to their current working relationship with a neighbouring provider.
- The 2016/17 Supplies and Service cost per WAU is £252 which is just above the national median of £375.

- The trust's overall Price and Performance score (Q4, 2016/17) is in the lowest third, at 46.7. The trust has made significant progress on procurement, with performance against the Purchase Price Index Benchmark (PPIB) Top 100 opportunities. showing a 4.77% variance with a peer median of 6.9%.
- The trust is working across the Northern Care Alliance to enable economies of scale and increased purchasing power. The trust has consolidated procurement teams and orders goods across the Northern Care Alliance to get a lower price given the volumes ordered.
- The trust's 2016/17 estates cost per square metre is £468 which places it in the highest (worst) quartile. The trust's estate footprint in terms of layout and function means that land utilisation is at a premium. Few value for money opportunities to reduce occupancy costs have been identified during 2017/18. As the trust has two Private Finance Initiatives (PFI) schemes, a proportion of the estates costs are fixed until the end of the concession period (2025 and 2042) however, work to release value from the estate continues through the 'Better Care Lower Cost' programme to increase occupancy in administrative areas and to make more efficient use of community premises.
- The corollary of the higher estates costs per square meter in the backlog maintenance is £66 per square meter which is significantly below the national median of £189 per square metre.

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

- The trust has a track record of strong financial performance and has consistently delivered a surplus, which was 2.5% in 2016/17 and forecast to be 0.8% in 2018/19. The trust has over performed against the control total in the last two years and had £55m in cash at the end of 2017/18.
- In 2017/18 the trust reported a surplus of £18m, which included Sustainability and Transformation Funding (STF) of £21.7m, against a control total and plan of a £1.4m deficit. For 2018/19 the trust has a control total and plan of a £5.4m surplus, including £14.7m Provider Sustainability Fund (PSF).
- Whilst the trust is above their agency ceiling, analysis demonstrates that the percentage of their pay bill attributed to agency spend has reduced year on year. In 2015/16 agency made up 3.7% of their pay bill, in 2016/17 this was 3.1% and in 2017/18 3%, demonstrating that the trust has been able to manage agency spend. 3% is significantly below the national average of 4.6%, demonstrating the trust is successfully managing the level of pay costs incurred on agency staff
- The trust delivered 88% of its planned savings in 2017/18, equating to £25m (3.5% of total expenditure) against planned savings of £28.7m of which £7.6m (30%) were non-recurrent. The delivery of 3.5% savings is significantly above the national expectation of 2% built into tariff.
- For 2018/19, the trust has an ambitious savings target of £28.3m (or 3.9% of its expenditure) all of which is recurrent.
- The trust's cash balance at the end of 2017/18 is £55m and it is forecasting a closing cash balance of £32m at the end of 2018/19. The trust is able to consistently meet its financial obligations and pay its staff and suppliers in the immediate term, as reflected by its capital service and liquidity metrics. The trust is not reliant on short-term loans to maintain positive cash balances.
- The trust was one of the first in the country to develop and implement Patient Level Costing (PLICS) and continues to use this rich source of clinically owned data when setting

budgets and to make business decisions, such as whether additional capacity is required in a service to meet demand.

- The trust has a proactive Commissioning and Income team that engages across the organisation to identify areas for growth, development or change and uses this intelligence to negotiate clinical activity contracts including local prices and contracting rules with commissioners.

Outstanding practice

- The trust actively uses technology to support the effective use of staff to ensure resources were allocated to where they were needed the most. The trust described how they develop technology to meet their needs rather than relying on available software and accepting of limitations in this. For example:

- Patient Pass, which facilitates efficient and auditable communication between the specialist hub and local spoke services, maximising clinical time, improving safety and potentially avoiding unnecessary readmissions.

- A real time clinical acuity tool to review staffing levels and compare these to patient acuity to ensure the trust can direct resources where the care is required most. The Salford Integrated Care Record has been an enabler to effective working across the integrated organisation, allowing staff across primary, acute, community, and social care services to access a single summary care record.

- A Clinical Fellow Trainee Programme whereby medical staff not on a traditional training programme are employed by the trust for an extended period of time and allocated to specialties experiencing workforce difficulties.

- A Radiology Academy established to attract and retain staff.

- Dieticians delivering training to care home staff. This resulted in freeing up Dietician time to focus on areas of priority whilst also training and increasing capacity for care delivery across the wider health care economy.
- A Pathology Joint Venture with a neighbouring trust which generates significant financial benefits resulting in the trust having the lowest pathology cost per test in the Country.
- Outsourced transactional financial services to East Lancashire Financial Services have resulted in the second lowest Finance cost per £100m in the country.

Areas for improvement

- The trust has an opportunity to make improvements in the efficiency of its outpatient services, reducing DNA rates from 9.5% to the national median of 7.3% (in Q3 2017/18), through improving capacity modelling and introduction of a new appointment management and communication system.

- Staff sickness levels, at 4.58%, are above the national median of 4.03%, placing the trust in the third quartile. The trust acknowledged further work was required to address the higher sickness absence in certain staff groups.

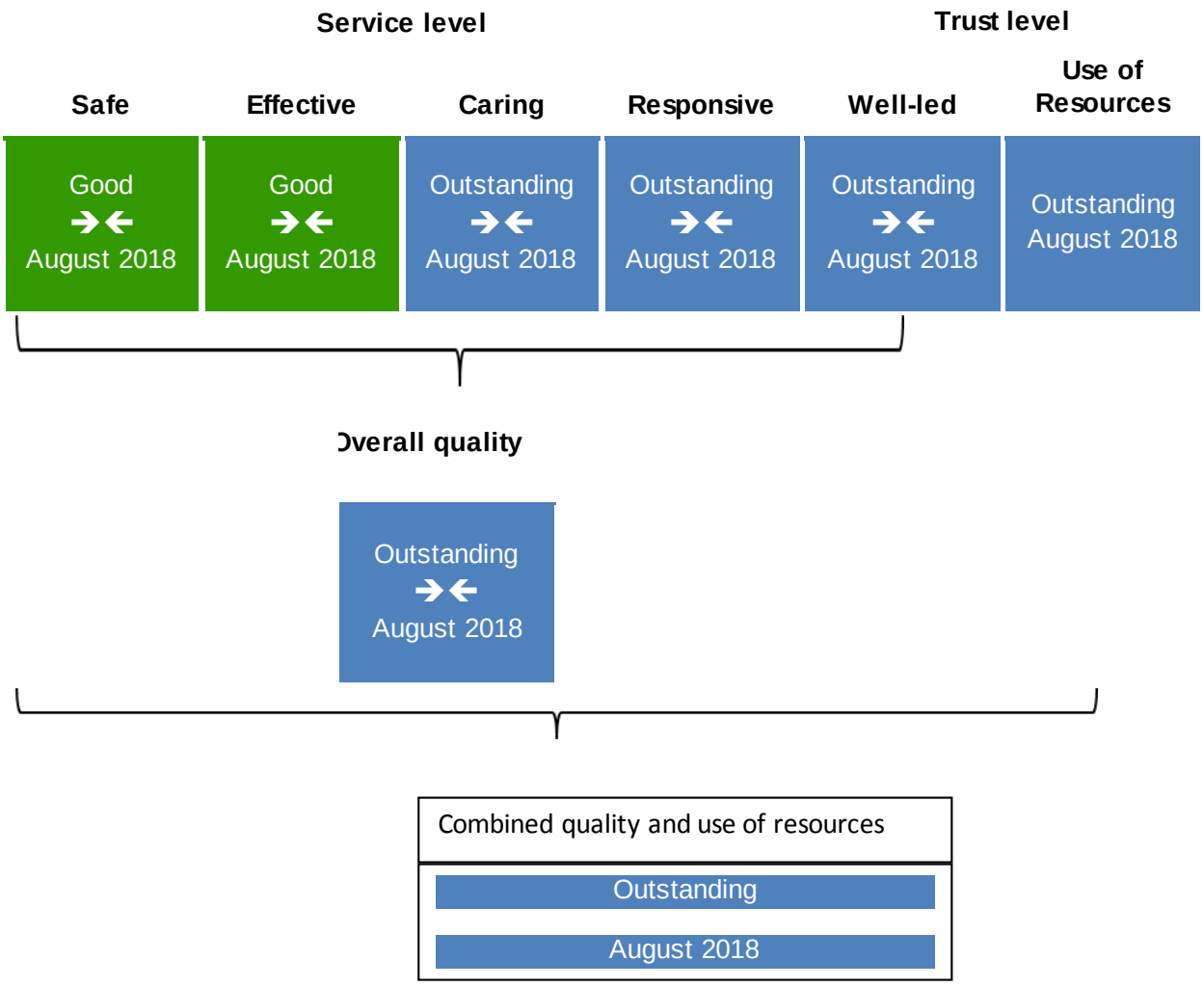
Ratings tables

Key to tables					
Ratings	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 key question inspected					

* 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



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 (SOF) sets out how NHS Improvement oversees NHS trusts and NHS foundation trusts, using a consistent approach. It helps NHS Improvement to determine the type and level of support that trusts need to meet the requirements in the Framework.
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.
Sustainability and Transformation Fund (STF)	The Sustainability and Transformation Fund provides funding to support and incentivise the sustainable provision of efficient, effective and economic NHS services based on financial and operational performance.
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.