Aintree University Hospital NHS Foundation Trust

Use of Resources assessment report

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Date of publication: 26 September 2019

This report describes our judgement of the Use of Resources and our combined rating for quality and resources for the trust.

Ratings

Overall quality rating for this trust	**Good**
Are services safe?	**Requires improvement**
Are services effective?	**Good**
Are services caring?	**Good**
Are services responsive?	**Good**
Are services well-led?	**Good**

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/REM/reports)

Are resources used productively?	**Requires improvement**

Combined rating for quality and use of resources	**Good**

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

This is the 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 good because:

- We rated the trust as requires improvement for safe, and effective, caring, responsive and well led as good.
- We rated well-led at the trust level as requires good.
- We rated the hospital as requires improvement for safe and well led. We rated effective, caring and responsive as good. We rated two of the trust's services at this inspection. In rating the trust, we took into account the current ratings of the services not inspected this time.

Our decisions on overall ratings take into account, for example, the relative size of services and we use our professional judgement to reach a fair and balanced rating.

- The trust was rated Requires Improvement for use of resources. Full details of the assessment can be found on the following pages.

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Date of site visit:
20 May 2019

Date of NHS publication: 26 September 2019

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 12 months, our local intelligence, the trust's commentary on its performance, and qualitative evidence collected during a site visit comprised of a series of structured conversations with the trust's leadership team.

Are resources used productively?	**Requires improvement** ●

How we carried out this assessment

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

We visited the trust on 20 May 2019 and met the trust's leadership team including the chief executive and the chair, as well as relevant senior management responsible for the areas under this assessment's KLOEs.

Findings

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

- We rated the trust's use of resources as Requires Improvement.
- Since the last Use of Resources assessment in November 2017, the trust has maintained performance in some key areas as well as achieving improvements in areas where performance did not previously compare well nationally. However, some areas for improvement identified in the last assessment remain a challenge for the trust. In addition, the trust were unable to accept their control total for 2018/19 and their overall cost per weighted unit of activity has increased.
- In 2017/18 the trust reported a £3.5m deficit against a control total of £3.5m deficit. For 2018/19 the trust did not agree the control total of £0.2m surplus due to operational pressures and historical delivery of non-recurrent cost savings resulting in a significant underlying deficit. The trust set and delivered a deficit plan of £29.1m.
- The trust delivered against a cost improvement plan (CIP) of £6.6m (or 1.7% of its expenditure). The trust delivered 100% of its planned savings in the previous financial year, of which 64% were non-recurrent whilst the plan was 51%.
- The trust is reliant on short-term loans to maintain positive cash balances, albeit in 2018/19 the trust managed to delay the need for borrowing until December 2018.
- The trust's overall cost per weighted unit of activity (WAU) has increased since the previous Use of Resources assessment (2015/16 data) but remains in the second highest (worst) quartile. For 2017/18 the trust had an overall cost per WAU of £3,572 compared to a national median of £3,486 indicating that the trust is less productive at delivering services than other trusts by showing that, on average, the trust spends more to deliver the same number of services.
- Individual areas where the trust's productivity compared particularly well included pre-procedure non-elective bed days, estates and facilities, pharmacy and pathology. However, opportunities for improvement were identified in Delayed Transfers of Care (DTOCs), Did Not Attend (DNA) rates, emergency readmissions, staff sickness and procurement. In addition, the trust did not meet its agency ceiling as set by NHS Improvement for 2017/18 and 2018/19 and is forecasting to miss its ceiling in 2019/20. The trust agency cost per WAU has also increased from the previous Use of Resources assessment.

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 in May 2019, the trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer and Accident & Emergency (A&E). However, the trust has seen a 6% increase in elective referrals and an 18% increase in 2 week cancer referrals. The trust has been recognised as the most improved trust across Cheshire and Merseyside for type 1 performance during Winter 2018/19. This is despite a 5.25% growth in ambulance attendances and a 14.07% growth in walk in arrivals. The trust has increased discharges by midday from 15.2% to 15.8%.
- As a major trauma centre, the trust manages the impact of high non-elective attendances, long length of stays, and regional specialist services increasing demand on elective

activity and pathways, which are all contributing factors to its performance and clinical services metrics.

- Patients are more likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 8.82%, emergency readmission rates are above the national median of 7.86% for quarter 3 2018/19. At the time of the assessment the trust noted it was reviewing how the data is coded as some of the readmissions are scheduled rather than emergency and may be linked to pathway design.
- More patients are coming into hospital prior to treatment compared to most other hospitals in England.
    - On pre-procedure elective bed days, at 0.21, the trust is performing in the second highest (worst) quartile and above the national median of 0.13, when compared nationally. The trust explained this in in part due to the nature of the specialist services provided and, in some cases, the impact of regional services with patients travelling long distances who require investigations prior to surgery.
    - On pre-procedure non-elective bed days, at 0.47, the trust is performing in the lowest (best) quartile and below the national median of 0.66. The trust explained the introduction of new ambulatory pathways and hot lists for patients have helped to enable this, as well as admissions from A&E to the Surgical Assessment Unit where patients are sent home with a date for surgery.
- The trust is working closely with the wider economy to ensure cohesive joint working, for example within Stroke services and haematology. Non-sustainable services are currently under review and are part of the ongoing work planning for the merger with the Royal Liverpool and Broadgreen University Hospital NHS Trust.
- The Did Not Attend (DNA) rate for the trust is very high at 11.49% for quarter 3 2018/19, placing the trust in the top 5 worst performing trusts nationally. This represents an increase from the last Use of Resources assessment in November 2017. However, the trust noted there has been a reduction in the DNA rate following the introduction of interactive text messaging using ‘DrDoctor’ technology in October 2018. The trust explained this will be further developed following the implementation of EPR technology, with patients having the opportunity to re-book an appointment through this system. In addition, the trust has introduced a number of virtual clinics across areas such as gastroenterology and plan to expand this further.
- At 4.1% for March 2019, the trust reports a delayed transfers of care (DTOC) rate that is higher than average and higher than the trust’s own target rate of 3.5%. DTOC rates have been deteriorating between January 2019 and March 2019. The trust demonstrated they are working with the local authority to develop a discharge to assess model for those patients who are considered medically fit for discharge. The service model for therapists has also been changed with therapists now ‘pulling’ patients rather than waiting for a referral, thus enabling discharge planning to begin as quickly as possible.
- The trust was able to demonstrate engagement with the Getting It Right First Time (GIRFT) Programme across a number of areas and the lead executive for this is the Medical Director. All reports are discussed at Board level and there is a standardised approach to this. The Emergency Department, Stroke and Cardiology services have been reviewed. The trust provided a number of examples of improvements following GIRFT visits across both medical and surgical directorates, including;
    - Stroke services - where an action plan has been developed and monthly meetings are taking place with the executive team

- Trauma and Orthopaedics - where the Length of Stay for hip replacement patients is now in line with the national average and for knee replacement patients is below the national average.

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

- For 2017/18 the trust had an overall pay cost per WAU of £2,121, compared with a national median of £2,180. This means that it spends less on staff per unit of activity than most trusts. This represents an increase from the previous assessment, however, the national median has also increased resulting in the trust moving from the second highest (worst) quartile in 2015/16 to the second lowest (best) quartile in 2017/18.
- The trust is in the lowest (best) quartile for medical and nursing cost per WAU at £444 compared to a national median of £533, and £591 compared to a national median of £710 respectively. The trust noted the reasons behind this are varied but due to vacancies across the workforce, the trust has a high agency spend which may account for the lower pay cost per WAU. At £142, the trust benchmarks in the second highest (worst) quartile for Allied Health Professional (AHP) cost per WAU and above the national median of £130.
- The trust did not meet its agency ceiling as set by NHS Improvement for 2017/18 and 2018/19 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, with a spend of £13.7m against a ceiling of £9.9m in 2018/19, equating to 5.8% of total pay costs in comparison with a national median of 4.4%. The trust explained that following a report by Ernst & Young which identified the trust did not have enough bed capacity to meet demand, extra beds were opened which required the trust to utilise bank and agency to cover these areas. In addition, the trust highlighted there are significant gaps in rotas for Junior Doctors and therefore, the trust uses agency staff to cover these roles.
- For 2017/18 the trust had an agency cost per WAU of £146 compared to a national median of £107. This is an increase from the previous Use of Resources assessment (2016/17 data). The trust explained it is working with the Royal Liverpool and Broadgreen University Hospital NHS Trust ahead of the merger to ensure there is a standardised agency price card for both trusts. The trust is also migrating agency staff to fixed term contracts where possible. In addition, the trust has introduced a digital temporary booking app which is available for staff to use.
- The trust has introduced a number of alternative workforce models, particularly around nursing and AHP roles. The trust noted there are currently 50 nursing associates in training and the trust has Advanced Practitioners working across Consultant Led Clinics or as First Contact Practitioners.
- The trust has e-Rostering in place and this is being further developed across a number of specialities and the trust has also developed electronic job plans for the Consultant workforce. Skill mix for nursing is reviewed twice a year and there is a professional opinion review twice a day to ensure staffing levels are acceptable and to identify areas of increased demand.
- 100% of Consultants have job plans and these are reviewed annually with a standardised process across the trust. The trust noted this will be extended to the Royal Liverpool and Broadgreen University Hospitals NHS Trust following the merger. The trust demonstrated it is working nationally to focus on how this approach could be extended to the AHP workforce.

- Staff retention at the trust is good, with a retention rate of 86.9% in November 2018 against a national median of 85.9%.
- At 4.92% in November 2018, staff sickness rates are worse than the national average of 4.27%. The trust noted this is in part driven by the local health economy and the high deprivation rates within the local population. As a result, the trust has implemented a number of initiatives, such as running a food bank for staff. In addition, the trust has implemented a Quality Improvement Plan to address sickness absence issues, focusing on hot spots across the trust. 10 areas of concern have been identified and each is monitored through Divisional Workforce Groups. However, the trust is yet to see the improvement as a result of this.

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

- At £1.53, the overall cost per test at the trust benchmarks in the lowest (best) quartile nationally and below the national median of £1.86. The trust was able to provide evidence of working collaboratively with the Pathology Networks and 'Carter at Scale' programme across Cheshire & Mersey. The trust successfully hosts the Liverpool Clinical Laboratories (LCL), a joint collaboration with Royal Liverpool and Broadgreen University Hospital NHS Trust and the 3rd largest laboratory in England. LCL provides pathology services to a number of other NHS organisations across North Mersey.
- For imaging, the cost per report is slightly higher than the median at £35.88 compared with a national median of £33.25. The trust was able to demonstrate engagement and collaboration with the Cheshire and Mersey Radiology Network (which the Aintree Deputy Medical Director chairs), although exchange of imaging capacity and reporting expertise already takes place with neighbouring trusts via established clinical pathways. For example; out of hours MRI (magnetic resonance imaging) access is obtained via The Walton Centre NHS Foundation Trust (on-site). In addition, the trust recognised that they have a lower level of skill mix and the number of reporting radiographers is below the median.

- The trust's medicines cost per WAU, at £302, is relatively low when compared nationally – the national median is £320. As part of the Top Ten Medicines programme, it is making good progress in delivering on nationally identified savings opportunities, achieving savings of £2.22m (109% of target) in 2017/18 and an additional £1.3m to the end of February 2019. The trust has made some progress in implementing switching opportunities for biosimilars, for example all intravenous interventions have 100% uptake of the biosimilar in the Specialist Rheumatology Centre. The trust was able to demonstrate the reasons behind slower uptake in other areas, with patient choice being a factor in all cases.
- The trust was able to demonstrate the use of technology in innovative ways, for example through the use of virtual clinics and an interactive text messaging service within outpatients. The trust also demonstrated a number of projects:
    - Implementation of digitisation in Outpatients (Self check in modules);
    - Pre-operative assessment digitisation;
    - Patchwork app to improve medical staff bank fill rate; and
    - Electronic communications and letters for patients.

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

- For 2017/18 the trust had an overall non-pay cost per WAU of £1,451, compared with a national median of £1,307, placing it in the highest (worst) quartile nationally. This represents an increase from the previous Use of Resources assessment in November 2017 where the trust was in the second highest (worst) quartile. The trust explained this is in part a consequence of hosting the LCL and requiring an increased volume of consumables and diagnostics supplied by the LCL.
- The trust has a finance function cost per £100m turnover of £598.35k, benchmarking below the national median of £676.48k.
- The cost of running its Human Resources (HR) department is higher than the national average with a cost per £100m turnover of £933.20k compared to a national median of £898.02k. This has increased from the previous year, from £827.68k (2017/18). However, the trust noted that this was as a result of requiring additional planning and coordination support as part of the ongoing merger and transaction process with Royal Liverpool and Broadgreen University Hospitals NHS Trust.
- With regards to collaboration across corporate services, the trust is a member of 'Carter at Scale' within the Cheshire and Mersey system and provides Occupational Health services to a number of North Mersey NHS Trusts and other institutions.
- The trust's procurement processes are relatively inefficient and tend not to successfully drive down costs on the things it buys. This is reflected in the trust's Procurement Process Efficiency and Price Performance Score of 46 (quarter 3 2018/19). Metrics for the percentage variance for top 100 products, % variance from median price and % variance from minimum price also suggest that the trust is not getting the best prices from its procurement operations. The number of PPIB tool logins is low at 5 compared to a national median of 18 (February 2018) but the trust was able to demonstrate a planned approach to increase this value through investments such as P2P solutions and cataloguing. The trust also collaborates with Liverpool Women's NHS Foundation Trust providing procurement and supply chain leadership.
- At £269 per square metre in 2017/18, the trust's estates and facilities costs benchmark below the national average of £345 placing it in the lowest (best) quartile. The trust benchmarks above the national average for Hard Facilities Management (FM) costs at £98 per square metre compared to national median of £84 per square metre. However, at £87 per square metre, the trust Soft FM costs benchmark significantly below the national median of £130 per square metre. The trust noted the high Hard FM costs are in part driven by the aged profile of the estate.
- The Estates and Facilities leadership team is a member of the 'Carter at Scale' and provides services, including areas such as linen, to a number of organisations across the North Mersey area generating income of over £1m. In 2018/19, the trust installed combined heat and power units and refurbished plantrooms reducing its carbon footprint by 18%.
- The trust has a backlog maintenance figure of £181 per square metre compared to the national median of £186 and a critical infrastructure risk of £33 per square metre compared to a national median of £94. The trust demonstrated an understanding of the estates and maintenance costs and approaches through capital investment where available.

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

- The trust is in deficit but has a good track record of managing spending within available resources and in line with plans.

- In 2017/18 the trust reported a £3.5m deficit against a control total of £3.5m deficit. For 2018/19 the trust did not agree the control total of £0.2m surplus due to operational pressures and historical delivery of non-recurrent cost savings resulting in a significant underlying deficit. The trust set and delivered a deficit plan of £29.1m.
- The trust delivered against a cost improvement plan (CIP) of £6.6m (or 1.7% of its expenditure). The trust delivered 100% of its planned savings in the previous financial year, of which 64% were non-recurrent whilst the plan was 51%.
- The trust has relatively low cash reserves and is not 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 reliant on short-term loans to maintain positive cash balances, albeit in 2018/19 the trust managed to delay the need for borrowing until December 2018.
- The trust is part of the NHSI costing pilot to roll out patient level reference costs. Therefore, whilst they are embedding this system they are not currently using costing data across service lines.
- The trust is taking opportunities where possible to generate further income. For example, their estates department provide services for a number of other trusts for which they receive income, some of which is reinvested in the estates budget, which alleviates some of the pressures they face financially.
- In 2018/19 the trust spent £1.7m on consultancy, the majority of which (£1.1m) relates to the merger with Royal Liverpool and Broadgreen University Hospitals NHS Trust.

Areas for improvement

- The DNA rate is high and has increased since the last assessment. The trust have introduced some initiatives; however, the trust would benefit from some further understanding and work in this area.
- At 4.59% staff sickness is worse than the national average of 4.0%. Although the trust has done work to understand the hotspot areas and had a focus on attendance management, further work is required to reduce this.
- The trust did not meet its agency ceiling as set by NHS Improvement for 2017/18 and 2018/19 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 emergency readmission rate for the trust is high compared to the national median.
- The trust is failing to meet NHS Constitutional Standards including A&E Waiting Times; Referral to Treatment waiting times; and Cancer waiting times.
- The trust's procurement processes are relatively inefficient and tend not to successfully drive down costs on the things it buys.
- The trust is reliant on external loans to meet its financial obligations.

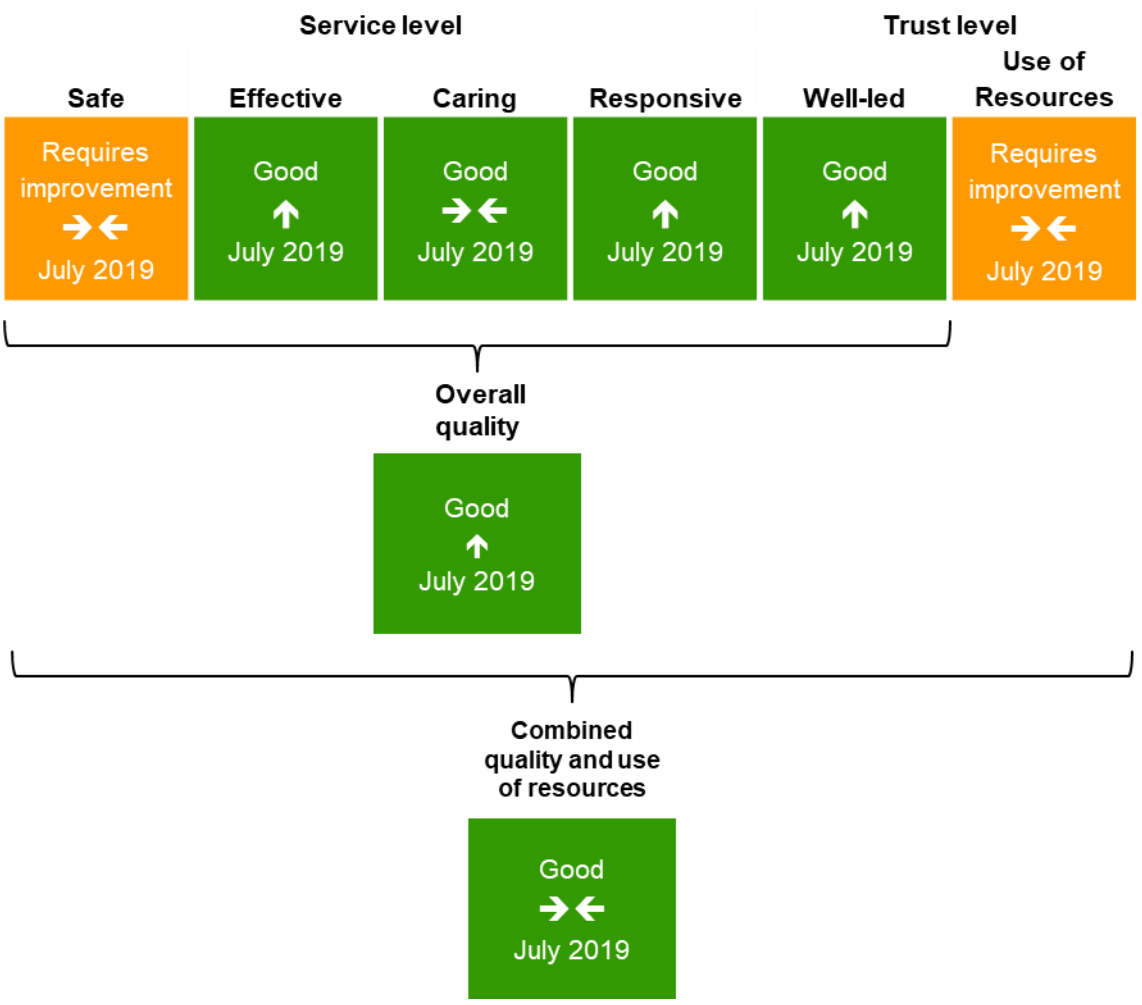
Ratings tables

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 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.
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.
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.