Basildon and Thurrock University Hospitals NHS Foundation Trust

Use of Resources assessment report

Basildon and Thurrock University Hospitals
NHS Foundation Trust
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Date of publication:
10 July 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?	**Requires improvement**
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/RDD/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 safe and responsive as requires improvement. Effective, caring and well-led were rated as good.
- We rated one of the trust's four services we inspected as requires improvement and three as good. However, we also considered that the rating in Urgent and Emergency services within the safe domain had been in place since 2015. The trust presented updated information which meant it had a disproportionate effect on the trusts overall rating. Therefore, we have overridden the overall aggregation principles and rated the trust overall as Good.
- The trust was rated Requires Improvement for use of resources. Full details of the assessment can be found on the following pages.

NHS Improvement

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Date of site visit:
8 March 2019

Date of NHS publication:

The NHS foundation trust has been part of the MSB group since January 2017. The group constitutes three trusts; Mid Essex Hospital services NHS trust, Basildon and Thurrock University Hospitals NHS FT and Southend University Hospital NHS FT. The group shares an executive leadership team, with each NHS foundation trust having its own site senior management team.

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.

The Use of Resources rating for this NHS foundation trust is published by CQC alongside its other NHS trust-level ratings. All six NHS trust-level ratings for the NHS foundation trust's key questions (safe, effective, caring, responsive, well-led, use of resources) are aggregated to yield the NHS foundation trust's combined rating. A summary of the Use of Resources report is also included in CQC's inspection report for this NHS foundation trust.

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 NHS foundation trust's performance against a set of initial metrics alongside local intelligence from NHS Improvement's day-to-day interactions with the NHS foundation trust, and the NHS foundation 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 NHS foundation trust on 8th March 2019 and met the NHS foundation trust's leadership team (including the group chief executive), the chair and relevant senior management responsible for the areas under this assessment's KLOEs.

Summary of findings

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

We rated the NHS foundation trust's Use of Resources as Requires Improvement. Whilst the NHS foundation trust is not performing well across a range of areas covered in this assessment, it has been able to demonstrate understanding of the reasons for its performance and has initiatives in place which are delivering productivity improvements within clinical services and workforce management. Medical workforce costs however remain high and are a key contributor to the NHS foundation trust's deficit position.

- The NHS trust has an overall cost per weighted activity unit (WAU) of £3,410 compared with a national median of £3,486 for 2017/18 (the most recent data), placing the trust in the second lowest cost quartile nationally. This means the NHS trust spends less per unit of activity than most other trusts.
- Although most clinical services productivity metrics did not compare well at the time of the assessment, some areas are on an improving trend due to interventions being undertaken by the NHS foundation trust, for instance Did Not Attend (DNA) rates and emergency length of stay. The NHS foundation trust demonstrated understanding of the reasons for its performance and has been implementing improvement initiatives to enhance productivity in clinical services.
- The initiatives undertaken include patient flow improvement programmes which are supported by electronic patient tracking information systems, and expansion of ambulatory care services for frail and elderly patients. These emergency care improvement initiatives have also contributed to the improved performance against the national 4 hour Accident and Emergency standard. The NHS foundation trust's performance is above the national median and it reported meeting the standard in March 2019.
- Delayed transfers of care are lower than most other NHS trusts. There is integrated working between health and social care teams in discharge planning and the NHS foundation trust has a Hospital at Home initiative, which facilitates prompter patient discharges.
- The NHS foundation trust is working collaboratively with other group member NHS trusts to provide imaging and pathology services, the latter involving a joint venture partnership with Southend University Hospital NHS FT and a private company. The NHS foundation trust cited a range of benefits from these arrangements, including access to more modern laboratory and information technology facilities in pathology services. The consolidated imaging capacity across the group enables the NHS foundation trust to provide some imaging services over seven days and creates resilience to mitigate impact of workforce shortages or equipment outages. Costs in pathology services however remain high.
- Pharmacy services cost compare well nationally, and the NHS foundation trust is using pharmacy staff to support patient flow and medicines optimisation. The NHS foundation trust has also progressed well in delivering against the nationally identified savings in the top ten medicines programme. There is a joint senior management structure across the group, which is supporting transfer of best practice amongst the NHS trusts.

- The cost of corporate services at the NHS foundation trust compare well, except for Finance. Further cost improvements are expected to be achieved through consolidation of back office services across the MSB group and through more collaboration in procurement operations.
- Estates and facilities costs are higher than peers mainly due to premium workforce costs in hard facilities management. The NHS foundation trust has had challenges recruiting to lower grade roles in this area. Soft facilities management costs however compare well, and the NHS foundation trust's Patient Led Assessment Care Environment (PLACE) scores are also better than most other NHS trusts.
- The NHS foundation trust agreed its control total for 2017/18 but did not achieve it due to a shortfall against its income plan and high pay bill growth. The NHS foundation trust did not agree its control total in the following year (2018/19). Furthermore it is not delivering against its agreed financial plan. As at January 2019, the NHS foundation trust's year to date reported position was a deficit of £26.3 million, against a plan of £23.2 million deficit, with a forecast outturn of £31.5 million deficit. As a percentage of turnover however, this is in line with the previous year's performance. The NHS foundation trust income performance has improved, but it has continued to incur high pay bill growth.
- The NHS foundation trust's overall pay cost per Weighted Activity Unit (WAU) of £2,220 (2017/18), places it worse than the national median and in the second highest cost quartile nationally. Medical staffing and agency costs are the main contributors to this position, with the former benchmarking in the high cost quartile.
- The NHS foundation trust reduced its overall spend on agency in 2017/18 which was marginally above the ceiling set by NHS Improvement. However, this improvement has not been fully sustained in 2018/19, and the NHS foundation trust's cumulative spend on agency as at February 2019 had already exceeded the agency ceiling.
- The NHS foundation trust is working to control its pay expenditure and has implemented a pay project, which is focussed on improving medical workforce productivity and reducing agency costs. Evidence provided by the NHS foundation trust demonstrated a reduction in monthly agency spend since its implementation. However more work is required as the expenditure on pay continues to exceed budget.
- Although the NHS foundation trust's recruitment and retention initiatives have been successful in reducing overall vacancy rates and improving retention rates, there is scope for further improvement as performance for both these areas remains worse that national median. Sickness rates, though variable across the assessment period, have remained better than the national median.

How well is the NHS foundation trust using its resources to provide clinical services that operate as productively as possible and thereby maximise patient benefit? Clinical services productivity does not compare well across several areas covered in this assessment, however the NHS foundation trust demonstrated that it understands the drivers of its poor performance and is actively working to deliver the required improvements.

- At the time of the assessment (based on the available data), the NHS foundation trust was not meeting any of the constitutional operational performance standards. The NHS foundation trust was also not delivering against its improvement trajectory for 18-week Referral to Treatment (RTT), and performance had deteriorated. However, in previous months and after the assessment, the NHS foundation trust met the 4 hour Accident and Emergency standard.
- The NHS foundation trust attributes the improved performance against the 4-hr Accident and Emergency standard to various initiatives in its emergency services which include, the expansion of ambulatory care services for frail and elderly patients and patient flow improvement programmes (supported by electronic patient tracking information systems). In November 2018 the NHS trust implemented a tele-tracking patient flow system, which provides visibility of operational (flow) performance across the hospital. The reported benefits of this implementation include; release of nursing time, improved bed capacity management, more effective patient transfers (getting the patient to the right place first time) and the ability to discharge patients earlier in the day. The NHS trust is also reporting improvements in length of stay, for instance reduction in overall emergency length of stay, from 7.8 days in January 2018 to 7.2 days in January 2019, and a reduction in percentage of beds occupied by long stay patients (more than 21 days) from an average of 19.9% for 2017/18 to 19.0% as at February 2019.
- Delayed transfers of care (DTOC) rate at 2.3% for October 2018, remains lower than the national average. The NHS foundation trust has integrated health and social care teams supporting the discharge process, and there are regular multidisciplinary meetings to monitor and address delays in patient discharges. The NHS foundation trust also has a Hospital at Home service, which provides post discharge support to patients, facilitating prompter discharges.
- At 9.5%, the 30-day emergency readmission rate, though improved in recent months, remains significantly above the national median of 7.86% (for the period October to December 2018). Readmissions are monitored as part of the divisional performance management process, and the NHS foundation trust has a process in place to identify and address frequent A&E attenders. It is also supporting end of life patients in nursing homes, by providing Geriatric input, to reduce risk of readmissions. The NHS foundation trust however recognises that further work (in partnership with health and social care commissioners) is required to address the high emergency readmission rates.
- The NHS foundation trust's pre-procedure days benchmark in the highest (worst) quartile for both electives and non-electives. This means that, when compared with other NHS foundation trusts, more patients are admitted prior to the day of their planned surgery, and patients are waiting longer in hospital for their emergency procedures. For the period October to December 2018, pre-procedure elective bed days are 0.43 compared to a national median of 0.13, and pre-procedure non-elective bed days are 1.30% compared to a national median of 0.66%
- The NHS foundation trust attributes the elective pre-procedure days performance to cardio thoracic surgery activity undertaken in its Cardio Thoracic Centre. Evidence provided by the NHS foundation trust shows that 50% of these patients are admitted before the day of their procedure, but it does not show the proportionate levels of this

activity when compared to the overall NHS foundation trust level elective activity. The NHS foundation trust is working to reduce the cardio thoracic activity pre-admissions, to bring the performance in line with peers, and it has a theatre admission lounge, where other elective patients are assessed and prepared for surgery on the day.

- Non-elective pre-procedure bed days performance is attributed to delays in emergency pathways (such as hip fracture pathways) and theatre capacity constraints. The NHS foundation trust is undertaking work to address this, and provided evidence demonstrating a reduction in time to operation for hip fractures for June 2017 to November 2018.
- The Did Not Attend (DNA) rate for the NHS foundation trust at 9.76% (October to December 2018) benchmarks higher than the national median. The NHS foundation trust has a two-way text messaging system in place, however the benefits of this are yet to be realised due to poor quality of patient contact data. The NHS foundation trust has introduced the use of patient portals, where patients can directly update their contact details.
- The NHS foundation trust is using telemedicine to improve utilisation of clinic capacity. This is being piloted in dermatology and involves the use of technology to capture an image of the patient skin, which together with relevant history of their skin condition is used to support initial clinical review and decision making on the appropriate care pathway. This is reported to have reduced the requirement of face to face consultant appointments by 40% in this area, with capacity released to address backlog work and increasing demand. The NHS foundation trust plans to re-model service delivery in this area based on the pilot output.
- Getting it Right First Time' GIRFT productivity improvement initiatives are being considered in the ongoing group service review, which will involve reconfiguration of specialist and elective care services. Some of the GIRFT principles are being used to drive local improvements for instance, introduction of ambulatory care services in Urology.

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

Workforce productivity remains a challenge, with high medical staffing costs and high vacancy rates, the latter driving agency spend. The NHS foundation trust has implemented workforce cost improvement initiatives and was able to evidence a reduction in monthly agency spend, however overall pay spend remains above budget. There are other initiatives in place to improve recruitment rates and effectiveness of workforce deployment processes.

- For 2017/18, the NHS foundation trust had an overall pay cost per WAU of £2,220, compared to a national median of £2,180, placing it in the second highest cost quartile nationally. A breakdown by staff category shows that the NHS foundation trust is in the highest cost quartile for medical staffing, and in the second highest cost quartile for nursing and midwifery.
- Medical staff cost per WAU is £619 compared to a national median of £533, which places the NHS foundation trust in the highest cost quartile for this category. Additional session payments are a key contributor to this high cost. These are premium rate payments made to substantive medical staff, to work over and above their contracted hours to deliver clinical elective activity, in a drive to reduce waiting lists and improve performance against operational standards.

- For 2017/18, the NHS foundation trust achieved a reduction in agency spend, from 8.5% of total pay costs to 5.4%, and annual spend was marginally above the agency ceiling set by NHS Improvement. This reduction has not been fully sustained in 2018/19, and for January 2019, the NHS foundation trust's reported spend on agency was 6.1% of the year to date pay expenditure, and 18% above the agency ceiling for 2018/19. Expenditure on medical agency is the main contributor to the increased agency spend, with vacancy cover as the key driver. The medical staff vacancy rate was 16.4% compared to 6.0% at the same time in 2017/18. The high vacancy rate is partly due to an increase in medical staffing posts, which are yet to be filled.
- The NHS foundation trust has a pay project in place to address the high costs, with dedicated resource focused on improving workforce productivity and cost reduction. Evidence provided by the NHS foundation trust demonstrated a reduction in monthly spend on agency staffing since the implementation of the project in October 2018. The NHS foundation trust also provided evidence which demonstrated a shift from use of agency staff to bank, when covering unfilled shifts in 2017/18. However, comparator information for 2018/19, to demonstrate a sustained improvement, was not provided. Overall expenditure on workforce also remains higher than budget, with the key contributor being medical workforce costs.
- The NHS foundation trust has a tiered approach to job planning with three levels of signoff by clinical and operational leads. 83% of consultants have a job plan held electronically, and 66% of the job plans have been through the NHS foundation trust's signoff processes. There is variation across specialities in respect to aligning job plans to service capacity requirements, which mainly arises from data quality factors. The NHS foundation trust recognises this and has plans to improve data quality and standardise the job planning approach across the group.
- The Nursing cost per WAU is £740 compared to national median of £710. The NHS foundation trust has identified that current e-rostering software has insufficient capability to support optimisation of substantive staff in the workforce deployment processes and is currently upgrading to a more effective e-rostering software solution.
- The NHS foundation trust has introduced new roles in its workforce to support patient flow and create resilience in medical teams. They include pharmacy staff on wards to support discharge processes and monitor use of controlled drugs (this allows nurses to focus on other patient facing activities) and surgical care practitioners who work on junior doctor rotas, providing resilience and reducing need for agency staff.
- Overall staff retention, though on an improving trend, remains below the national median. The retention rate for November 2018 was 84.9% compared to a national median of 85.9%. Vacancy rates have also reduced but remain high compared to other NHS trusts, and are above the NHS foundation trust's own internal target.
- The improvements have been achieved through delivery of recruitment and retention initiatives led by senior clinical leaders in the NHS foundation trust. This includes improved staff engagement to understand and address drivers of high turnover, training managers in talent management, improved onboarding engagement processes for newly qualified nurses, overseas recruitment with transition support, and providing opportunities for staff rotation within the MSB group. The NHS foundation trust also offers training and development opportunities for medical staff in hard to recruit areas, providing opportunities to progress to consultant roles and engaging with universities to provide sub-specialty training. The NHS foundation trust highlighted recruitment of four neurologists as a result of this initiative.
- The overall sickness absence rate was variable across the assessment period but remained better than the national median for most of the time and as at September 2018

the NHS foundation trust reported a sickness absence rate of 3.59% against a national median of 4.00%.

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

The NHS foundation trust is collaborating with other group member NHS trusts to provide Imaging and Pathology services, with the latter delivered through a joint venture with a private company. The NHS foundation trust is reporting productivity benefits from these collaborations, with further work being undertaken to create joint service management structures. The cost of pathology services, however, remains relatively high when compared nationally. Pharmacy services cost compare well, and the NHS foundation trust is utilising its pharmacy staff to support patient flow and medicines optimisation.

- Pathology services are provided through a joint venture partnership (known as Pathology First) with and Southend University Hospital NHS FT and Integrated Pathology Partnerships (IPP), a private sector partner. IPP has partnerships with three other NHS trusts. Being part of this venture has allowed the NHS foundation trust access to more modern and efficient laboratory and information technology facilities. There have also been improvements made to the pathway designs, specifically in histopathology services, which have contributed to the reduction in the backlog of work within cancer pathways.
- The overall cost per test in pathology, at £2.48, remains high compared to peers, benchmarking in the second highest cost quartile nationally. The NHS foundation trust cited agency costs in Histopathology and Haematology as the main contributor to the high cost. The NHS foundation trust remains the employer of its consultants in the joint venture partnership and has had challenges with recruitment to senior consultant roles in clinical Haematology and Histopathology and is using agency to cover the gaps. The NHS foundation trust has recently recruited to two histopathology consultant posts and has a shared-on call rota in pathology specialities with the other NHS foundation trusts in the MSB group.
- There is some collaboration in imaging services with the other group members, through sharing of workforce and equipment capacity. The group has also implemented a single Picture Archiving and Communicating System (PACS) which allows access to images across the group sites, and a joint management structure is in development. The NHS foundation trust highlighted benefits from this collaboration such as resilience in medical teams, better utilisation of equipment across its sites, provision of seven-day consultant led services for CT, MRI, X-Ray and Ultrasound examination, and out of hours interventional radiology services.
- The NHS foundation trust has undertaken actions to improve productivity and ensure sustainability of imaging services, which include; consolidation of capacity across the group sites, training reporting radiographers and implementing technology to support remote working. To reduce the high levels of missed appointments, the NHS foundation trust introduced text reminders for appointments, is working with commissioners to manage demand for MRIs and offering patients pre-exam appointments to educate them about the tests. The evidence provided by the NHS foundation trust demonstrated a significant reduction in the MRI DNA rate, and some improvement in the DNA rates for CT and Non-obstetric ultrasound
- Pharmacy staff and medicines cost per WAU for 2017/18 compares well at £248, against a national median of £359, placing the NHS foundation trust in the lowest cost quartile.

The NHS foundation trust is also in the second-best quartile nationally for pharmacists taking on clinical pharmacy activity. Pharmacy staff are working with the ward teams to support patient discharges and undertake medicine reconciliation in the medical assessment unit. The use of pharmacy technicians in the dispensary has released pharmacists' time to undertake this work.

- The NHS foundation trust does not have an NHS foundation trust-wide electronic prescribing system but has implemented e-prescribing for chemotherapy and has automated dispensing for patient discharges. A senior management restructure has been completed, delivering a joint management structure for pharmacy services across the MSB group and management cost reduction.
- As part of the Top Ten Medicines programme, the NHS foundation trust is making good progress in delivering against the nationally identified savings opportunities from switching to best value biosimilar medicines. The NHS foundation trust has achieved 119% of the savings target, as at February 2019.

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

The cost of most corporate services at the NHS foundation trust compare well. Further cost improvements are expected to be achieved through consolidation of back office services across the MSB group, and through more collaboration in procurement operations. Estates and Facilities costs remain high, largely driven by temporary workforce costs in hard facilities management, however soft facilities management costs and PLACE scores compare well nationally.

- For 2017/18 the NHS foundation trust had an overall non-pay cost per WAU of £1,190, compared to a national median of £1,307, placing it in the second lowest cost quartile nationally. Supplies and services costs however benchmark above the national median and in the highest cost quartile, which indicates that there may be opportunities for further cost efficiencies.
- There has been an improvement in the NHS foundation trust's Procurement Process and Price Performance score which is 72 (scale 1-100) for period July to September 2018 (58 in Q4-2017/18), and its ranks 40th out of 133 on the procurement league table for non-specialist acute NHS trusts. This indicates improvement in the effectiveness of the NHS foundation trust's procurement processes in driving down the cost of purchases.
- The NHS foundation trust has been working collaboratively with other group member NHS trusts to standardise procurement processes and products in order to attain benefits of scale. This has contributed to the NHS foundation trust's reported procurement savings of £2.4 million for 2018/19. There is scope for further improvements in respect to management of contracts and improvement of data quality to support identification of further procurement opportunities.
- The costs of running most Corporate Services functions is lower than other NHS trusts, except for the Finance function, which benchmarks in the highest cost quartile for 2017/18. Consolidation of Corporate Services functions with the other two-member NHS foundation trusts is progressing. The design of new structures has been completed and the Finance function is moving to the staff consultation phase. The estimated savings across the group are £8.1 million over the period April 2019 to March 2021.
- The Estates and Facilities cost per square metre at £421 is higher than the peer benchmark value of £345. Hard facilities management costs are the key contributor to

this position. The NHS foundation trust has challenges in recruiting to lower graded posts in hard facilities management and is reliant on contractors to deliver the work. The NHS foundation trust has introduced new caretaker roles within its estates function to ensure continuity of work and plans to develop apprentice roles in partnership with local education institutions, for future workforce sustainability in this area.

- Total critical infrastructure risk also benchmarks higher than peers, with a value of £13.4 million compared to a peer benchmark of £9.4 million. The NHS foundation trust cited capital constraints as a key contributor to this risk position and areas of highest risk are being prioritised in the capital work programme.
- However, the soft facilities management costs and maintenance backlog levels compare well and are better than peer benchmarks. The NHS foundation trust's Patient Led Assessment Care Environment (PLACE) scores, which assess the quality of the patient environment, are also better than peer benchmarks.

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

The NHS foundation trust did not meet its control total for 2017/18 due to a shortfall against its income plan and high pay bill growth. The NHS foundation trust did not agree its control total for 2018/19 and is forecasting a higher deficit than its plan. Although it has improved its income position, it continues to incur a high pay bill growth, driven by medical workforce and agency costs.

- For 2017/18, the NHS foundation trust did not meet its control total of £23.3 million deficit, excluding STF, and £12.6 million deficit with STF. The NHS foundation trust reported a higher deficit of £29.4 million before STF (9.2% of turnover), and £26.3 million with STF. The adverse position was mainly due to a shortfall against the income plan and a high pay bill growth driven by premium pay rates for temporary staffing and medical staffing costs. The NHS foundation trust also did not receive any STF funding linked to operational or financial performance.
- The NHS foundation trust did not agree the control total for 2018/19 but instead had a deficit plan of £26.8 million (control total was £16.9 million deficit). As at January 2019, the NHS foundation trust's year to date position was a deficit of £26.3 million, against a plan of £23.2 million deficit, with a forecast outturn of £31.5 million deficit (which is 9.3% of turnover). The NHS foundation trust income performance has improved as a result of improved activity and income billing, and block income contract arrangements with commissioners. However, the NHS foundation trust has continued to incur high pay bill growth, mainly due to medical and agency workforce costs, which, together with its share of the group transformation costs, is driving the increase in the deficit position.
- The NHS foundation trust reported delivery of its 2017/18 CIP which was £16.3 million (4.5% of operating expenditure), with 82% as recurrent and 19% achieved from income generation. For 2018/19, the NHS foundation trust's cost improvement programme is aiming to deliver efficiencies of £16.5 million (4.3% of operating expenditure), and as at January 2019, the NHS foundation trust was reporting a slippage of £3.2 million against its year to date plan. Some of its procurement and workforce improvement initiatives are still in early stages of scoping. The NHS foundation trust is using centrally held reserves to mitigate the impact of this slippage on its forecast outturn position.
- Due to its historical deficit position, the NHS foundation trust is not able to meet its financial obligations or maintain its positive cash balance without additional cash support. The cumulative revenue loan balance at January 2019 was reported as £115.3 million

and a further £31.4 million of revenue loan requests have been made for the remaining part of the year.

- The MSB group negotiated a three-year minimum income contract with the main commissioners, starting in 2018/19. This secured the income levels from its main commissioners, reducing income variability from fines and displacement of elective activity, previously experienced during seasons of high emergency demand. The NHS foundation trust has also improved its activity capture and income billing processes which has contributed to its positive variance of £0.4 million in January 2019. The NHS foundation trust reported achievement of £22.4 million non-clinical income, which was £0.5 million better than plan. (January 2019).
- The NHS foundation trust is using activity and costing data to support its workforce and financial planning processes, and to also identify cost improvement opportunities. Evidence provided by the NHS foundation trust demonstrated that it has developed the reporting of activity with income and cost information at different levels including NHS foundation trust, division, consultant and patient level. However, the data was for 2016/17 and there no specific examples of improvement initiatives developed using this information.

  The NHS foundation trust's spend on management consultants as at January 2019 was reported as £3.9 million (1.3% of operating expenditure). Most of this expenditure is for work commissioned on behalf of the MSB group, to support development of the group merger business case and efficiency programmes. The NHS foundation trust's own spend is £1.2 million, to support improvements in medical productivity and implementation of mortality analysis software.

Outstanding practice

- The NHS foundation trust's performance against the 4-hr Accident and Emergency standard has improved and is better than most other NHS trusts. This has been achieved through various improvement initiatives in its emergency services which included; a robust demand and capacity review, the expansion of ambulatory care services for frail and elderly patients and patient flow improvement programmes, supported by electronic patient tracking information systems.

- In November 2018 the NHS foundation trust implemented a tele-tracking patient flow system, which provides visibility of operational (flow) performance across the hospital. The reported benefits of this implementation include release of nursing time, improved bed capacity management, more effective patient transfers (getting the patient to the right place first time) and the ability to discharge patients earlier in the day

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS foundation trust should continue working towards reducing the high emergency readmissions, pre-procedure days and missed clinic appointments.
- The NHS foundation trust should continue working to reduce medical and agency staffing costs.
- The NHS foundation trust should continue focussing on improving its staff recruitment and retention rates.
- The NHS foundation trust should work at pace to implement the more effective software for deployment of the nursing workforce.
- The NHS foundation trust should strengthen its CIP delivery capacity and engagement across the organisation to ensure improvement in the delivery of CIP requirements.

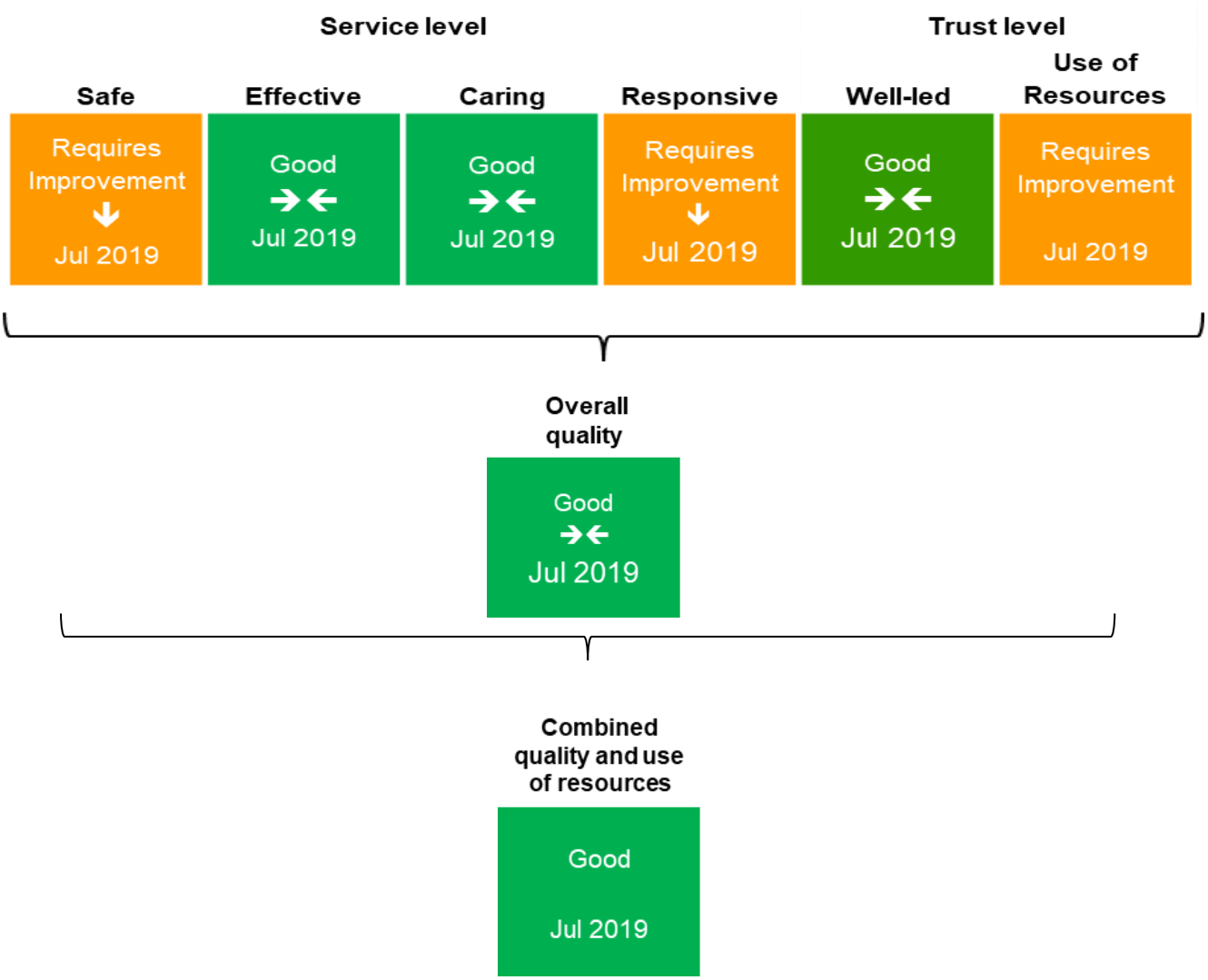
Ratings tables

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)	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.

cost per £100 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 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.