Dorset County Hospital NHS Foundation Trust

Use of Resources assessment report

Dorset County Hospital, Williams Avenue, Dorchester
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Date of publication:
6 November 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	**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/RBD/reports)

Are resources used productively?	**Good** ●

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 effective, caring, responsive and well-led as good; and safe as requires improvement;
- we took into account the current ratings of the four core services not inspected at this time. Hence, nine services across the trust are rated overall as good;
- although one of the domains, safe, was rated as requires improvement, all core services at the Dorset County Hospital, and leadership at the trust, were rated as good, and the trust has an overall rating of good;
- the overall rating for the trust's acute location improved to good; and
- the trust was rated as good for Use of Resources.

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Dorset County Hospital
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Date of site visit:
20 July 2018

Date of publication:
6 November 2018

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.

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

How effectively is the trust using its resources?	**Good**

How we carried out this assessment

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

We visited the trust on 20 July 2018 and met the trust's executive team (including the chief executive), a non-executive director (in this case, the 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?	Good

- We rated the trust's use of resources as Good.
- The trust performs well on key clinical productivity measures but is not meeting constitutional operational performance standards for three of the four access standards. Emergency readmission rates, pre-procedure bed days, and DNA rates are all better than most other trusts, and the trust has engaged well with the GIRFT programme.
- The trust operates an innovative acute hospital at home service, which has improved patient experience at a lower cost than an equivalent inpatient stay, and has an effective transformation team, which supports productivity improvement across the trust.
- Overall, the trust spends less on staff per unit of activity than most trusts placing it in the second best quartile nationally. The trust has consistently operated within its agency ceiling and spends significantly less on agency staff than most other trusts. Staff retention and sickness and absence benchmark well.
- The trust's overall non-pay cost per Weighted Unit of Activity (WAU) of £1,248 is lower than average placing it in the second lowest quartile. The cost of medicines for the trust is relatively low which reflects the overall management of the service including the savings achieved across the 'Top Ten' medicines programme in 2017/18.
- The trust delivers its corporate services at an efficient cost when compared to trusts of a similar size (peer trusts) but is marginally above the median cost compared with all trusts.
- In 2017/18 the trust reported a £0.9m surplus against a control total and plan of £2.9m deficit. For 2018/19 the trust has a control total and plan of £1.3m deficit, which it is on target to meet at the end of quarter 1. The trust's underlying position for 2017/18 was an £11.2m deficit.
- The trust has a good track record of managing spending within available resources and in line with plans. Recent financial performance has been stable, with the trust exceeding its financial plan and control total in 2017/18 and has delivered a reasonable level of recurrent savings. The trust has maintained positive cash reserves and to date has not been reliant on external sources of finance to maintain operations. The trust has adopted a proactive approach to the identification and delivery of productivity and commercial opportunities.

However:

- The trust has a relatively high level of delayed discharge patients.
- There is scope to improve the costs of the pathology service and a need to address the imaging backlog.
- The trust integration of corporate services with other organisations, including IM&T and payroll represents an opportunity for greater efficiency.
- The trust has recognised costing information as an area for development.

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 is not meeting constitutional operational performance standards for three of the four access standards but performs well on most of the key clinical productivity measures. Emergency readmission rates, pre-procedure bed days, and DNA rates are all better than most other trusts. The trust has engaged well with the GIRFT programme but there are opportunities to improve the number of delayed discharge patients.

- Using the most recent data available at the date of the assessment (May 2018), the trust was not meeting constitutional operational performance standards for three of the four core access standards: Referral to Treatment (RTT) performance was 88.2% (92% standard), Cancer 62 day performance was 70.9% (85% standard), and Diagnostic 6 week wait performance was 14.4% (1% standard).
- The trust was achieving the A&E 4-hour performance standard (97.4% against the 95% standard) and has consistently achieved this standard and outperformed regional and national performance over the past 12 months. The trust demonstrated how the importance of A&E performance is regarded across the trust, with all specialties recognising their responsibilities to actively support the department.
- Patients are less likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 3.8%, emergency readmission rates are significantly below the national median of 7.3% as at March 2018; the trust's performance being one of the best in the country. The trust reported two key contributing factors to this positive performance:
    - The acute hospital at home service, which aims to provide support to patients within their homes as an alternative to hospital admission.
    - The provision of primary care and focus on elderly and frail patients through the introduction of locality hubs.
- However, the level of Delayed Transfer of Care (DToC) patients is still high at 7.1% in July 2018, compared to a national standard of 3.5% with the hospital at home patients not reducing these numbers as patients are on the trust virtual ward until discharged.
- Fewer patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England:
    - On pre-procedure elective bed days, at 0.1, the trust's performance is in the lower quartile, performing better than the national median.
    - On pre-procedure non-elective bed days, at 0.64, the trust's performance is in the lower quartile, performing better than the national median.
- The Did Not Attend (DNA) rate for the trust is low at 5.9% for March 2018 against a national rate of 7.3% placing the trust in the best quartile nationally. This performance has improved within the past 18 months due to the introduction of an interactive text service and the use of email reminders for outpatient appointments.
- The trust has embraced the GIRFT programme as a primary driver for change with the methodology embedded in the trust. The approach taken by the trust in this respect is seen as an exemplar for the GIRFT programme delivery in ED. Through the programme the trust has focused on identifying and addressing clinically-led changes and are implementing these changes for example in ophthalmology on-call services have been relocated to Royal Bournemouth.

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

Overall, the trust spends slightly less on staff per unit of activity than other trusts. The trust has consistently operated within its agency ceiling and spends significantly less on agency staff than most other trusts. Staff retention rates are in line with other trusts and sickness absence rates are in the best quartile nationally.

- For 2016/17 the trust had an overall pay cost per WAU of £2,114, compared with a national median of £2,160, placing it in the second lowest cost quartile nationally. This means that it spends less on staff per unit of activity than most trusts. The trust is in the second lowest (best) quartile for AHP and nursing cost per WAU, although it benchmarks in the highest (worst) quartile for medical cost per WAU. The trust attributes the higher medical costs to two main areas: firstly, the result of the model it has established for the Emergency Department, where there is a strong senior medical presence in the department at all times, and secondly due to the scale where some of the services such as maternity services, which are not at the optimum number of births.
- The trust was under its agency ceiling of 2.9% as set by NHS Improvement for 2017/18 at 2.7% and is forecasting 2.6% for 2018/19. It has spent significantly less than the national average on agency as a proportion of total pay spend For 2016/17 (the most recent period for which national comparative costs are available to the trust spent £67 per WAU on agency against a national average of £137 per WAU placing it in the lowest (best) quartile. The trust attributes its relatively low agency spend to its strong controls and processes around agency, as well as emphasis on recruitment and retention of existing staff. There continues to be robust governance arrangements for the engagement of either locums or high cost nursing agency staff.
- The trust is a member of the Dorset Workforce Advisory Board which includes all Dorset NHS Organisations, is chaired by the Trust's CEO and enables staff to move across the area without the requirement to repeat mandatory training and develops new roles and apprentices. The trust continues to develop innovative workforce models including physician associates, advanced nurse practitioners and medical administrators.
- Rostering takes place for all staff groups, except the medical workforce, through the Healthroster system. From April 2018 absence management has been introduced on the system for medical staff. The trust has job plans in place for all of its consultants which is better than the national median of 89%. The trust has also adopted the Locum Nest system for managing locum staff.
- Staff retention at the trust has improved to 85.7% in March 2018 with the trust achieving this through its People Strategy which includes in-house bank to encourage flexible working, the promotion of return to work for nursing, talent management schemes including training and succession planning, including the accelerator plans for staff in therapies to move through band 5 to band 6.
- At 3.7% for 2017/18, staff sickness rates are better than the national average of 4.5% which places the trust in the lowest (best) quartile nationally. The trust reports this is achieved through an ongoing robust sickness management process.
- The trust has successfully implemented and is meeting the 7-day services standards.

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

The cost of medicines for the trust is relatively low, which reflects the overall management of the service including the savings achieved across the 'Top Ten' medicines programme in 2017/18. The small size of the trust is a contributory factor in the relatively high costs being incurred in its pathology services, which are somewhat capital intensive. The efficiency of imaging services compares well to most other trusts being in the second best quartile, but the backlog on testing is in the worst performing quartile in the country.

- The trust's pathology department processes less than 30% of the median number of tests across all trusts, which has implications on the cost of the service and the ability to use equipment most effectively. The trust's overall cost per test is in the highest worst quartile (£3.02 compared with a national median of £1.96), driven primarily by relatively high pay costs and low number of tests per FTE.
- The trust recognises the opportunity for efficiencies which can be achieved through its participation in the One Dorset Pathology network and more recently in the Southern Counties Pathology Network, in which the trust is an active participant, and the network is recognised as one of the most advanced in the national programme. Sustainability and future efficiency of pathology services will be delivered through the One Dorset Pathology and Southern Counties Pathology Networks. Benchmarking indicates however that there are significant savings that can be achieved in pathology pay costs ahead of networking through restructuring the workforce and which have not been exploited by the trust. The quality of pathology services is good and is accredited the recognised national body.
- The trust has been actively managing demand through the engagement with GPs focussed on managing five areas of growth. This is reflected in the upper quartile performance for number of tests performed per head of population.
- The trust delivers its radiology services at better than national median efficiency putting it in the second best quartile (£44.26 compared to the national median of £50.06). The trust however has high levels of backlog testing being more than three times the level of the national median with particularly poor performance in relation to ED patients and primary care. The trust identifies difficulty in recruiting radiologists (although the trust's vacancy rates are lower than the national median) and some equipment capacity constraints as factors.
- However, options to reduce this backlog do not appear to have been as efficiently implemented as they could have been. The trust has relatively new equipment although there is an identified need to replace one of the CT scanners which has limited capacity. The trust recognises the need to engage in a network solution as the long-term resilience of the current standalone service is doubtful especially regarding specialist imaging where networked specialist reporting will enable the service.
- The trust's pharmacy department has engaged well with national and regional programmes and demonstrates good performance in most areas which is reflected in the green rated 'pharmacy transformation plan', a requirement of the Carter Report; being the strategic plan for pharmacy and trust wide medicines optimisation for the period 2017 – 2020. The medicines cost per WAU is in the second best quartile (£292 compared to the national median of £320). Areas of strength include the percentage of pharmacy time spent on clinical activity, the percentage of pharmacists prescribing and the 7-day service provided, all of which show the engagement of the pharmacists with the core clinical activities, and all being in the top quartile.
- The areas for improved performance are the relatively high use of 'low cost drugs' and the digital quality which is being addressed through an upgraded digital system. The trust is collaborating effectively across the regional system looking at opportunities for joint working and centralised storage. The trust also deploys pharmacists in the community to deliver system-wide efficiencies. The trust uses technology effectively through the comprehensive roll-out of electronic prescribing and the investment in a pharmacy robot.

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

The trust delivers its corporate services at an efficient cost when compared to trusts of a similar size (peer trusts) but is marginally above the median cost compared with all trusts. The cost of operating and maintaining the estate is very efficient when compared against peer trusts (25% lower cost) whilst maintaining the estate better than average as measured by the levels of backlog maintenance.

- The most recent benchmark shows that the trust had an overall non-pay cost per WAU of £1,248 compared with a national median of £1,301 based on the latest data (2016/17) placing the trust in the second best quartile.
- The cost for the trust of running its corporate service functions is 14% above the national median. Within this there is considerable variability with the HR and finance functions being in the upper quartiles but with IM&T and payroll being 17% and 51% respectively above the national median with payroll costs in in the most expensive quartile.
- The trust has identified that the payroll cost is high through its current outsourced contract and is participating in a collaborative procurement for a new provider to deliver targeted savings. The in-house IM&T service lacks scale with particularly high costs of its datacentre. The trust has engaged with its local trusts to develop a collaborative solution, but a way forward has not been identified to date. The Dorset Care Record project provides a foundation for greater system-wide IM&T integration although the plans have not progressed to date as planned and the trust needs to have a contingency plan.
- The trust was ranked 28th (placing it in the best quartile) in NHSI's procurement league tables, however this has recently been updated and the trust's ranking is predicted to drop to slightly below the national median based on an assessment of more recent data and a refinement to the methodology. As at quarter 3 of 2017/18, the trust was performing in the second best quartile against the expanded Top 500 products metric, ranking 112th out of 135 trusts with 21% of products achieving best price. The trust has been part of the Scan4safety programme since July 2017 to improve safety and quality of care through barcoding supplies.
- The trust's supplies and services cost per WAU was £373 which is marginally lower than the national median. The cost of the procurement function was, however, significantly higher than the national median (being 82% above the national average) based on a comparison with the trust's turnover and 32% higher than trusts of a similar size putting it into the lowest (worst) quartile.
- The trust's procurement function does however have a wider scope than most other trusts, incorporating estates and facilities, catering and IT within its remit. The procurement function achieved level 1 NHS Procurement and Commercial Standards in November 2017.
- The trust operates from 8 sites – the main Dorchester hospital and 7 community sites with the overall cost of running the estate benchmarking well against national comparators (£311 per sqm compared to a national mean of £351 putting it in the second best quartile).
- The trust benchmarks particularly well in the levels of backlog maintenance (£129 per m2 compared with a national median of £156), which reflects the relatively high annual investment in maintaining the estate. The trust highlighted that the backlog has increased since the last submission but that 90% of the high-risk backlog maintenance has been budgeted for in the current year.

- The energy metric is however high at £0.07 per unit compared with a national median of £0.04. The trust has recognised this as an issue and opportunity and has recently entered a new carbon energy scheme with guaranteed savings from the provider.

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

The trust has a good track record of managing spending within available resources and in line with plans. Recent financial performance has been stable, with the trust exceeding its financial plan and control total in 2017/18, albeit with some system support, and has delivered a reasonable level of recurrent savings. The trust has maintained positive cash reserves and has not been reliant on external sources of finance to maintain operations. The trust has adopted a proactive approach to the identification and delivery of productivity and commercial opportunities.

- In 2017/18 the trust reported a £0.9m surplus against a control total and plan of £2.9m deficit. For 2018/19 the trust has a control total and plan of £1.3m deficit, which it is on target to meet at the end of quarter 1. The trust's underlying position for 2017/18 was an £11.2m deficit.
- The trust has a cost improvement plan (CIP) of £7.6m (or 4.1% of its expenditure) for 2018/19 and is currently forecasting to deliver this plan, although £2.6m is categorised as high risk. In 2017/18 the trust reported delivery of all of its £8.8m planned savings, although £2.6m related to income. After taking account of income received non-recurrently, the trust delivered 64% of its savings plan on a recurrent basis.
- The trust has a transformation team, which is responsible for supporting the delivery of productivity improvement and efficiencies across the trust. It was able to demonstrate several successful projects that had delivered a positive contribution, and current projects in place including realising the opportunities highlighted by the Model Hospital.
- The trust has maintained positive cash reserves and has been 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 has not been reliant on short-term loans to maintain positive cash balances.
- Costing data has been recognised as an area for improvement by the trust. A new system has been implemented with the aim of providing more granular costing detail at clinical specialty level on a monthly basis, which will be used to inform decision making.
- The trust has well-developed commercial strategy and provided examples of the opportunities it had taken to generate commercial income.
- Use of management consultancy has been limited and targeted to areas where specific expertise or independent advice has been deemed necessary, such as commissioning an independent review of leadership and governance following a recent divisional restructure.

Outstanding practice

- The trust is within its agency ceiling and has spent significantly less than the national average on agency as a proportion of total pay spend, which it attributes to robust controls and processes.
- The trust has very low emergency readmission rates, which it attributes mainly to its acute hospital at home service and strength of local primary care services.
- The trust consistently achieves the national 4-hour A&E standard, which it attributes to the consistency of senior decision makers within the department and how the importance of A&E performance is regarded across the trust, with all specialties recognising their responsibilities to actively support the department.

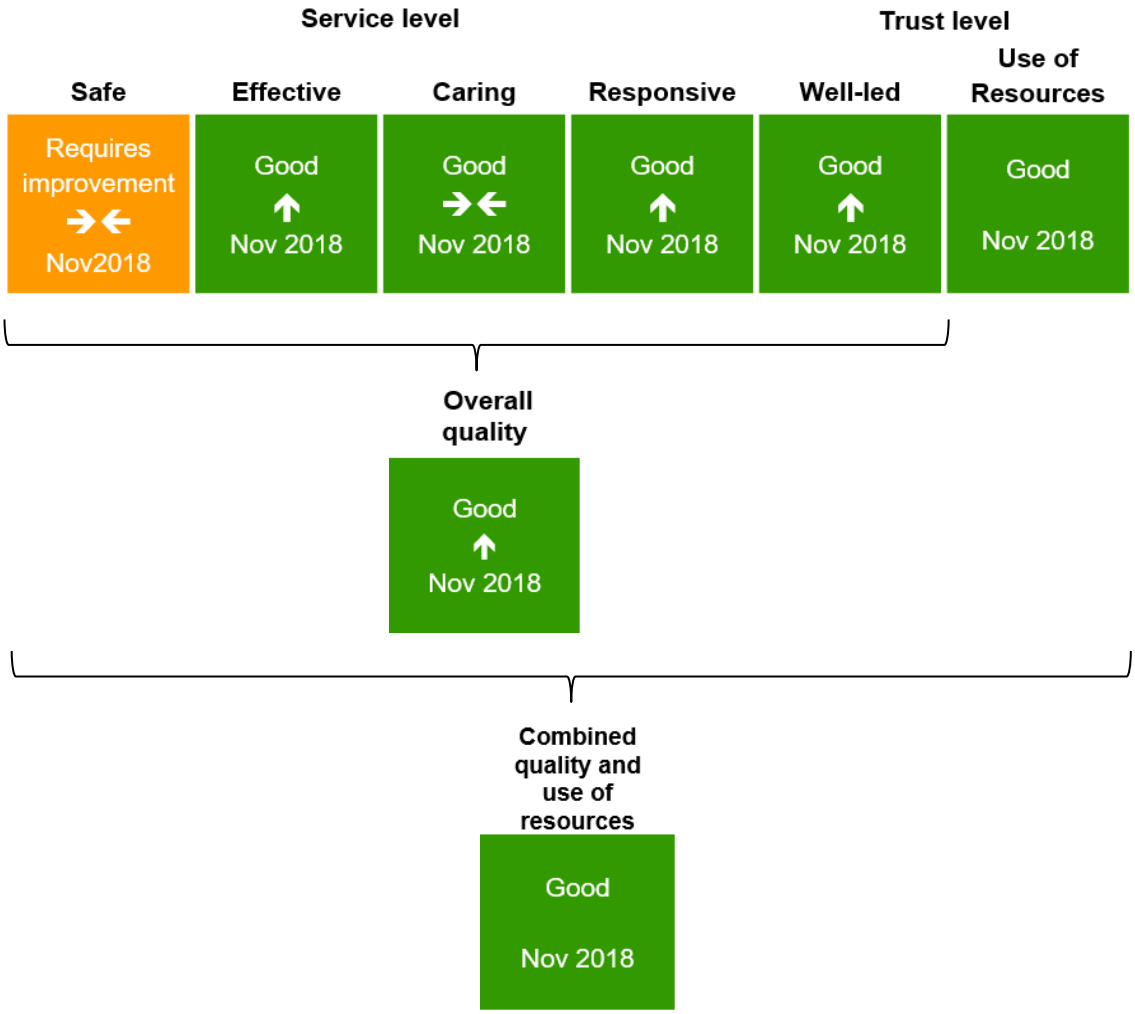
Areas for improvement

- There are opportunities for further savings in pathology, and the trust should continue to engage with the One Dorset network.
- The trust should continue to focus on addressing its imaging backlog by exploring network opportunities.
- The trust should continue to explore opportunities relating to the integration of corporate services with other organisations, including IM&T and payroll.
- The implementation of the new costing system should be used to identify and realise efficiency and productivity areas across the trust.
- There is an opportunity for the trust to improve its level of delayed transfers of patients.

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.



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.
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.