# Frimley Health NHS Foundation Trust

## Use of Resources assessment report

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Date of site visit:
27 November 2018

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12 March 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?** | **Good** |
| **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/RDU/ reports)

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| **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:

- Our rating of the trust went down. We rated it as good because:
- There were arrangements to manage safety incidents and complaints to ensure these were adequately investigated, learning was identified and necessary changes to practice made.
- The premises and equipment were clean and well maintained; infection risks were well controlled.
- Staff managed medicines were in line with legislation and national guidance.
- Accurate and accessible patient records supported staff to give safe care.
- Generally, there were enough staff with the qualifications, skills and experience to meet patient needs.
- There was a programme of mandatory training but not all staff had completed this. Staff were competent although not all had received an appraisal of their performance.
- Staff delivered care and treatment were in line with national and recognised standards and guidance. Audit systems checked care was given in the best way and resulted in positive patient outcomes.
- Patients received enough food and drink and any pain they experienced was managed.
- Arrangements for consent took account of the needs of those who lacked capacity to give consent and followed relevant legislation.
- Feedback from patients and their families was positive and they were treated with dignity and respect.
- The trust worked collaboratively with partners in the Frimley Integrated Care System to provide joined up services that met the needs of the local population and of individuals, including those with disabilities or protected characteristics.

- Senior leaders and managers at all levels in the trust had the right skills and abilities to run a service, a vision for what they wanted to achieve and workable plans to turn it into action. They promoted a positive culture and created a sense of common purpose based on well understood organisational values.
- The trust had effective systems for identifying and mitigating operational risks through risk registers.
- The trust collected, analysed, managed and used information well to support all its activities and to monitor its own performance**.**

However:

- Midwifery staffing was a concern as staffing shortages meant one to one care in labour was not always achieved and staff felt pressured.
- The trust lacked a systematic and coordinated approach to quality improvement although there were examples of good practice.
- The trust did not have an effective system for identifying or managing and controlling strategic risks
- The trust did not have a consistent or embedded approach to engaging patients and hearing their views and experiences although there were some examples of good practice.

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

# Frimley Health NHS Foundation Trust

## Use of Resources assessment report

Date of site visit:
27 November 2018
Date of NHS publication:

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 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.

| **Are resources used productively?** | **Choose a rating** ● |
|---|---|

## 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 27 November 2018 and met the trust's executive team (including the chief executive), a non-executive director (in this case, the trust chair) and relevant senior management responsible for the areas under this assessment's KLOEs.

The data held in the Model Hospital was updated during our assessment of the trust. Although our discussion with the trust during our visit relied on 2016/17 data, we decided to reflect the updated data in this report. The 2017/18 data is consistent with the 2016/17 data.

## Summary of findings

| Is the trust using its resources productively to maximise patient benefit? | Good |
|---|---|

**We rated the trust good for use of resources as the trust demonstrated good level of productivity evidenced by having the third lowest total cost per weighted activity unit (WAU) in the country and effective use of its resources to deliver its services although the trust is trading with an underlying deficit which it has started to address.**

- In 2014, the trust acquired Heatherwood & Wexham Park NHS Foundation Trust, a trust which faced significant quality, workforce and financial issues. The trust secured transitional funding (revenue and capital) from the Department of Health & Social Care (DHSC) to support the acquisition allowing the trust to make quality and financial improvements. The transitional funding ends in 2019/20. The trust runs from three main sites, Frimley Park, Heatherwood and Wexham Park.
- During our assessment, we found that the trust spends less on pay and other goods and services per weighted unit of activity (WAU) than most other trusts nationally, having the third lowest cost per WAU in the country (£3,046). This showed that the trust is more productive at delivering services than most other trusts by showing that, on average, the trust spends less to deliver the same number of services.
- Overall, the trust benchmarked strongly on clinical services. The trust met the 18-week referral to treatment, the cancer 62-day wait and the diagnostic 6-week wait targets consistently over the last twelve months and performed above the national median on the 4-hour Accident & Emergency (A&E) target. The trust performed well on pre-procedure non-elective bed days and did not attend (DNA) rates. The trust is also well engaged with the Getting It Right First Time (GIRFT) programme.
- The trust benchmarked very well on staff costs being in the lowest or second lowest quartile nationally. The trust was implementing innovative workforce models, had introduced innovative measures to retain and recruit its staff and was using e-rostering and job planning to plan and deploys its staff.
- The trust was spending less on clinical support services than other trusts and benchmarked well on most metrics. The trust was part of the Berkshire & Surrey Pathology Services, an exemplar pathology network, and was considered to be operating at the right scale and performing well on productivity metrics.
- The trust had an overall non-pay cost per WAU of £1,081 which benchmarked in the lowest (best) quartile nationally and benchmarks strongly on Finance and Human Resources and Estates & Facilities costs.
- The trust had consistently delivered surpluses in the past years and met its control total and was expecting to deliver £32.8 million surplus (including Provider Sustainability Fund) in 2018/19. The trust had significant cash balances which means it could meet its financial obligations and had the funds it needed to deliver its significant capital development programme.

- However, during our assessment, we also found that the trust needed to improve in a number of areas, the key ones being:
    - The trust's operating models of sites were not always aligned and we found some evidence that more efficiencies could be achieved through further alignment.
    - Further work can still be done to integrate legacy IT systems across the trust to deliver synergies and efficiencies.
    - The trust is trading with an underlying deficit. Although the trust had started to address it, further work was needed to develop a financial recovery plan by the end of the financial year to ensure the trust returns to an underlying surplus position.
    - The trust had service line reporting but could use this information more effectively, in particular to improve its understanding of costs and relating revenue of its various services.
    - The trust could develop further its approach to efficiency identification and delivery in particular through better used of data (such as service line reporting (SLR), GIRFT, Model Hospital) and strengthening of oversight and governance in this respect.
    - The nursing vacancy rates varied significantly within the trust and its spend on agency staff was ahead of its plan as at October 2018.

**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 benchmarked well on clinical services across the board. It achieved the 18-week referral to treatment, cancer 62-day wait and diagnostic 6-week wait targets consistently over the last 12 months. Its pre-procedure non-elective bed days and did not attend (DNA) rate were in the best national quartile. The trust operated its two main sites differently although best practice and learnings were shared across to improve performance. At the time of the assessment, the trust was however not meeting the 4-hour Accident & Emergency (A&E) target and it could further improve on pre-procedure elective bed days and delayed transfers of care.

- The trust performed well across the constitutional standards for 18-week referral to treatment (RTT), cancer 62-day wait (cancer) and diagnostic 6-week wait (diagnostic) targets. The trust consistently met the cancer, RTT and diagnostic targets over the last year (except in December 2017 for RTT) and consistently over-performed against the national median.
- At the time of the assessment, the trust's performance against the 4-hour A&E wait was 89.09% against a standard of 95%. The trust had however been performing above the national median since July 2018. The operational performance was variable across the two trust sites and both sites had different operating models, with Wexham Park Hospital having tried to replicate the Frimley Park Hospital model to improve performance.
- Frimley Park Hospital had established medical cover and had developed a frailty unit. Wexham Park Hospital had challenges with middle grade medical cover, several long-term locum consultants compounded by a small Thames Valley Deanery which

were affecting the ongoing supply of staff. The trust had not been able to capitalise on cross medical cover working due to the distance between the sites.

- At 8.59%, emergency readmission rates were above the national median (7.76%) as at Quarter 2 2018/19. The trust indicated that the ambulatory care pathway was affecting readmissions rates, with planned return visits because of the pathway being recorded as readmissions. The trust's analysis identified patients were returning as part of a recognised and planned clinical pathway or being transferred to an ambulatory care pathway to release beds. Further work is required to address this coding issue by the trust.
- Of the two sites, ambulatory care at Wexham Park Hospital was more developed and was the cornerstone of a new emergency block in development on the site. Recruitment of nursing staff for the new block had been successful and advanced nurse practitioner roles helped to bridge the middle grade gap. There were plans to replicate the model at Frimley Park Hospital.
- The trust benchmarked well on pre-procedure non-elective bed days at 0.49 days and was in the lowest (best) quartile nationally. On pre-procedure elective bed days, the trust also benchmarked well at 0.11 days (Quarter 2 2018/19) compared to the national median of 0.12 days.
- The trust performed well on did not attend (DNA) rates (5.40%) and benchmarked in the highest (best) quartile nationally. The trust was using two-ways text message reminders with patients who are also able to use this communication mode to amend their appointment if needed.
- The trust was fully engaged with the Integrated Care System (ICS) and had worked with system partners to address the delayed transfers of care (DTOC) rate. The trust reported there was still variation internally with the implementation of SAFER patient flow bundle. There had been improvement in extended stays over 21 days because of a multidisciplinary team approach.
- However, the DTOC system trajectory of 3.5% was unlikely to be met but initiatives such as enhanced recovery at home, established in Frimley Park Hospital and funded for winter in the Buckinghamshire area for Wexham Park Hospital, were supporting performance improvement. There had been progress in addressing delays in continuing health care, with commissioners funding pathways out of hospital which had a positive effect on the trust. Work continued with self-funding individuals to reduce delays.
- Evaluation of approaches to DTOC across the two sites was being supported via the A&E Delivery Board.
- The trust was well engaged with the GIRFT programme, having received several visits to specialties since 2016. The trust had identified a GIRFT champion and the medical director attended deep dives regularly. The trust was looking at how it could progress with establishing a framework to provide assurance over the delivery of GIRFT action plans by specialties. The trust recognised that further work was required in this respect.

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

The trust benchmarked well on staff costs per WAU, being in the best national quartile overall. The trust was making use of innovative staffing models and was using e-rostering and job-planning to plan and deploy staff efficiently. Although the trust benchmarked less well on retention and agency costs, it had measures to continue to improve in these areas.

- For 2017/18, the total pay cost per WAU was £1,965 placing the trust in the lowest (best) cost quartile nationally. This means that it spent less per unit of activity than most other trusts.
- The trust was in the first (best) quartile for allied health professional staff cost per WAU (£89) and in the second (best) quartile for medical and nursing staff costs per WAU (£494 and £651 respectively).
- The trust was implementing an acuity-based approach to rostering and had invested in the workforce (e.g. the appointment of a safe staffing matron to manage risks). There was a comprehensive programme to support overseas nurses achieve their registration and the trust was working with colleges/universities to support nurse trainees.
- E-rostering was established, and rosters were available on average seven weeks in advance. The trust reported e-rostering was closely monitored within each area although they have not yet undertaken work to determine how closely the roster delivers against what was originally planned. Twice yearly the safe staffing board reports reviewed acuity data and this also informed planning and drove innovation, for example through nurse associate roles and developing the right talent pipeline. The trust acuity tool did not directly link into the e-roster, but this was the trust's aspiration.
- Sickness rates benchmarked well at 2.71% (4$^{th}$ best rate nationally) in June 2018 compared to 3.76% for the national median.
- As at October 2018, the trust had spent £0.9m more on agency staff than the year to date ceiling given by NHS Improvement although it was still expecting to contain its spend within its ceiling at year end. The trust had made significant progress in the reduction of agency staffing costs and was sighted on areas of highest use (A&E, gastroenterology and dermatology). The agency staff supply was challenging leading to an increase in agency costs. The aim was to convert agency staff to NHS contracts. The trust had introduced different recruitment methods (such as using social media) to make it easier for people to apply and was also recruiting abroad. The trust was successful in recruiting sonographers from Italy to reduce reliance on agency staff and therefore reduce costs in this area.
- Staff retention at the trust showed room for improvement, with a retention rate of 83.6% in the year to May 2018 although the stability rate was better than local trusts in the area. The trust had joined the fourth NHS Improvement cohort on retention to identify how it could improve. The trust also collected data to understand the reasons for staff leaving with staff relocations identified as the primary reason for staff leaving.
- The workforce committee monitored staff retention and each service had developed their own recruitment and retention plans adopting both a targeted approach for their specific needs to compliment the generic trust level approach. Examples of best practice include 100 days follow up for new recruits; 'helping you stay' initiative to enable people to get advice if they are contemplating leaving; a 'transfer window' to ease movement between services. This was supported by an electronic system on

leavers which gives better information. There was particular support for overseas staff.

- The national picture remained very challenging so the trust was developing nursing associates and exploring innovation in roles. They cited band 4 roles as a growth area. The trust did not have problems in recruiting healthcare assistants although they do recognise there is a problem at system level. There was also a focus on flexible working and career development.
- Nursing vacancy rates varied between 7% and 23% at trust level. Significant progress had been made on the Wexham Park Hospital site which previously saw up to 40% vacancy rates. The trust hasd started a series of roadshows with staff to place a focus on recruitment and retention. The focus on retention by the trust was seeing staff returning to Wexham Park Hospital.
- There was an established annual performance review process for consultants monitored through a job planning assurance committee and linked to annual appraisals. The trust had introduced a new formal job-planning process in April 2018 alongside the annual appraisal process where job planning was usually discussed. The trust reported that as at the time of the assessment, 53% of consultants had completed this new process. Further improvement was expected in Quarter 4 2018/19 with the aim that directorates have at least 90% of their consultants compliant by year end. There were set rules associated with job planning that apply to all consultants and which include supporting professional activities (SPAs) time, full time and part time rules and private practice rules. Reduction in agency spend was also linked to the job planning process.

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

The trust benchmarked well on clinical support services nationally which means the trust was spending less on these services than other trusts and was part of a national exemplar pathology service in Berkshire & Surrey Pathology Services. The trust was implementing electronic prescribing and medicines management (EPMA) with further work to be done to provide pharmacy clinical services over seven days.

- The trust was a founder member of Berkshire & Surrey Pathology Services (BSPS), a networked clinical pathology service. The joint venture was initially created in 1998 and after expanding in 2017, now included alongside the trust, Ashford and St Peter's Hospitals NHS Foundation Trust, Royal Surrey County Hospital NHS Foundation Trust and Royal Berkshire Hospital NHS Foundation Trust. BSPS has been recognised as an exemplar network by Lord Carter and is one of four networks recognised by NHS Improvement as operating at the right scale. The network's director of pathology also sat on the National Pathology Optimisation Delivery Group chaired by NHS Improvement.
- BSPS performed well on productivity metrics and networking had seen a reduction in the cost per test from higher than the national median in 2016/17 (£2.11) to £1.68 in Quarter 4 2017/18 below the national median of £1.95, following a redesign of the service. BSPS also performed well on other metrics including cost per capita (£41.50 compared to national median of £58.28 for 2016/17), number of tests per capita (19.6

compared to national median of 35.2 for 2016/17) and overall cost per full time equivalent staff of £42,956 compared to the national median of £45,374 for 2017/18 demonstrating the efficiencies expected from networking. It should be noted that the figures for BSPS exclude trust overheads.

- For 2017/18, BSPS reported that it delivered CIPs of £5.3m of which £2m related directly to Frimley Health NHS Foundation Trust.
- The trust had a low overall cost per test for imaging at £41.4 compared to the national median of £50.1 for 2016/17 (quartile 1 (best)). The trust had achieved this despite having a high percentage of x-ray and ultrasound scanners over 10 years old (quartile 4 (worst)). The trust had a robust capital replacement plan to replace the old machines on a rolling basis over the next four years.
- The trust's use of radiographers to report was low compared with the national median (9% compared to 22%) which would give some scope to increase capacity and improve productivity further.
- The trust's medicines cost per WAU at £277 was low compared to the national median of £320 for 2017/18 (quartile 2). The trust was achieving above the target for the top ten medicines savings delivering 142% for 2017/18.
- The trust was piloting an electronic prescribing and medicines administration (EPMA) system at Frimley Park Hospital and had been awarded national funding to roll out EPMA to Wexham Park Hospital.
- The trust had done a considerable amount of work to reduce its medicines stockholding from 28 days in 2016/17 to 17 days in 2017/18 and to improve pharmacist time on clinical activity from 65% to 81% in 2017/18. Further improvements were required in 7-day services with only some support at Wexham Park Hospital over the weekend.
- The trust had more work to do to integrate information systems across the two sites (Frimley Park Hospital and Wexham Park Hospital) and to improve the use of technology to make patient access to the hospital easier and was presenting a digital strategy to its board in January 2019. The trust was working with local partners to implement a new integrated patient care record system across the local health economy with an aim to improve sharing of information to reduce clinical variation and to improve patient outcomes. The solution should be live by January 2020.

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

Overall the trust benchmarked well for its corporate services and for estates and facilities with the trust continuing to progress to standardise procedures across all sites to improve productivity further.

- For 2017/18 the trust had an overall non-pay cost per WAU of £1,081 compared to the national median of £1,307 (quartile 1 (best)).
- The trust's supplies and services costs per WAU were £325 (second best quartile) against the national median of £364.
- For 2017/18, the trust ranked 58 out of 136 trusts in the procurement league table published by NHS Improvement to assess the relative performance of non-specialist

NHS acute providers' procurement departments. The trust had one procurement team embedded across the three sites (Frimley Park Hospital, Wexham Park Hospital and Heatherwood Hospital) using one system. The trust's purchase price index and benchmarking tool (PPIB) informed efficiency was low with the percentage variance on the top 500 products at 20.4% compared to the national median of 24.8%. The procurement team was focusing on PPIB to reduce the variances.

- The procurement function cost per £100 million turnover was high at £279.1 thousands compared to the national median of £209.9 thousands. However, the trust's function influenced a wide range of the non-pay expenditure and includes procurement across estates and facilities and IT which is not commonly the case in other trusts.
- The cost of running the trust's finance function was low and had reduced since 2016/17 to £540 thousands per £100 million turnover compared to the national median of £721 thousands per £100 million turnover. This may represent an underinvestment considering the trust's underlying financial position and the trust is reviewing its financial capability and capacity with a view to investing in further divisional support capability.
- The trust had a low human resources (HR) function cost at £870 thousands per £100 million turnover that placed it in the lowest (best) quartile nationally and below the national median of £1,104 thousands per £100 million turnover. The trust had invested in this service since 2016/17 and had improved some of its key performance indicators including recruitment and being able to close employee relations cases within 2.2 weeks placing the trust in the lowest quartile nationally. The trust also provided HR services to Surrey CCGs and supported the Royal Surrey County Hospital NHS Foundation Trust in several HR areas as well.
- The trust's 2017/18 estates and facilities cost per m2 is £307 compared to a national median of £334 placing the trust in the second-best quartile. Hard facilities management (FM) cost (£45 per m2) were below the national median of £84 per m2 and soft FM costs were (£167 per m2) costs, above the national median of £130 per m2.
- The trust continuously reviewed its soft FM facilities to ensure it was getting the best value from the services. The differences between each of the sites meant standardisation was difficult and the trust operated an outsourced catering service at Wexham Park Hospital that was more expensive than the in-house service used in the other two sites. The trust was reviewing a proposal to bring this service in-house.
- Housekeeping was also being run differently at each site. However, the trust had been in consultation with its staff to realign the service centrally and the standardisation of the service across sites should deliver benefits and efficiencies.
- Backlog maintenance (£191 per m2) at the trust was slightly higher than the national median of £186 per m2. The trust had procedures to minimise the risk from the backlog maintenance while the capital plan was progressed. The trust had a significant estates capital plan with a particularly significant investment in the Heatherwood Hospital site rebuilding the hospital there to provide new theatres and outpatients services.

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

The trust had a track record delivering surpluses and has the third lowest total cost per WAU nationally, in 2017/18. The trust had a healthy cash balance which allowed it to meet its financial obligations and provide the necessary funding for its ambitious development plans. However, the trust was trading with an underlying deficit which it had started to address and its current cash balances reflect delays in necessary capital investment which are now being addressed.

- In 2017/18, the trust reported a £27.9 million surplus (including Sustainability and Transformation Fund (STF); £0.7 million surplus excluding (STF)) against a control total of £16.8 million surplus. For 2018/19 the trust has a control total and plan of £32.8 million (including Provider Sustainability Fund (PSF); £6.7 million excluding PSF). At Month 7 (October 2018), the trust continued to forecast the achievement of its plan despite a number of risks, including a lower achievement of efficiencies than planned.
- Despite having the third lowest cost per WAU in the country (£3,046) for 2017/18, the trust continued to deliver significant savings. The trust had an ambitious cost improvement plan (CIP) of £31 million (or 4.64% of its expenditure) for 2018/19 although the CIP was transactional rather than transformational in nature with many different schemes. The trust delivered £28 million savings in the previous financial year (92% of its target), of which only 5% were non-recurrent. However, at the time of the assessment in November 2018, the trust had reduced the level it expected to deliver to £24.7 million (3.64% of its expenditure, 75% recurrent) for 2018/19. The trust also acknowledged that it needed to further invest in the oversight and programme management of its CIP.
- At the time of the assessment, the trust was trading with an underlying deficit which it principally attributed to the on-going impact of the acquisition, in 2014, of Heatherwood & Wexham Park NHS Foundation Trust and because of case mix and relations with commissioners outside of the local system. Based on the trust's forecast as at October 2018, the trust expected to make progress and reduce its underlying deficit during 2018/19 although further work was required to develop a medium term financial recovery plan to address the underlying deficit.
- The trust was part of the Frimley Integrated Care System (ICS) which operated under the principle of "one system – one budget". This meant the trust's control total for 2018/19 had been formally included within a wider system control total and the overall financial position of the system was reviewed at system level, including by the ICS board. The trust was engaged in the ICS to manage its financial position, in particular around income levels.
- The trust had healthy cash reserves (£105.9 million) at the end of October 2018 and could 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 cash balance however also reflected delays in delivering the planned capital investment at Heatherwood Hospital site, which was expected to commence during 2019/20.
- The trust was producing service line reporting (SLR) and patient level costing information system (PLICS) information and could give us examples where SLR was used to identify and deliver specific improvements (e.g. obstetrics and gynaecology, emergency department and plastics). However, this information did not appear to be

systematically used to compare the financial performance between sites to identify where improvements may be required.

- The trust was forecasting to earn £9.4 million of income from private patients (1.37% of operating income), a 2.9% increase on 2017/18. The trust indicated that it was currently constrained by its theatre time and outpatient capacity to increase this income although the new development at Heatherwood Hospital should allow additional capacity to grow private patient income.
- The trust had decreased the extent to which it uses the services of management consultants from £3.6 million in 2016/17 to just under £1 million forecast in 2018/19.

## Outstanding practice

During our assessment we identified several outstanding practice areas. Below are some of the key or most innovative ones:

- The Berkshire & Surrey Pathology Services the trust was part of has been recognised by Lord Carter as an exemplar network to deliver pathology services.
- Actions taken to improve staff retention:
  - 100 days follow up for new recruits
  - 'helping you stay' initiative to enable people to get advice if they are contemplating leaving
  - 'transfer window' to ease movement between services
  - specific support to overseas staff to improve pass rate on qualification

## Areas for improvement

The following have been identified as key areas where the trust has opportunities for further improvement:

- There are areas where the trust could continue to further bring together the operating models followed by Frimley Park Hospital and Heatherwood and Wexham Park Hospitals to derive productivity improvement (e.g. A&E, ambulatory care, soft FM).
- The trust should continue to improve the its digital maturity in particularly through its newly developed digital strategy.
- The trust is trading with an underlying deficit. The trust should:
  - Enhance the use of information such as service line reporting (SLR) to improve its understanding of the costs and revenue received relating to these services, drive efficiency savings and support further discussion within the ICS;
  - Develop a medium term financial recovery plan by the end of 2018/19 to ensure it is able to operate on a financial sustainable basis following the end of the transitional funding in 2019/20.

- To better understand the interplay between the low trust's total cost per WAU and the underlying financial deficit, consider carrying out a drivers of deficit analysis to support the development of its financial recovery plan and further discussion within the ICS on ensuring the financial sustainability at system level.

- The trust should strengthen its programme management office to support the identification and delivery of its efficiency programme and consider how to further invest in its finance team to support its divisions.
- The trust should progress further in reducing the nursing vacancy rate at Wexham Park and ensure its spend on agency staff remains within its ceiling in 2018/19.
- The trust should progress with reducing variances identified through the purchase price index and benchmarking (PPIB) tool.

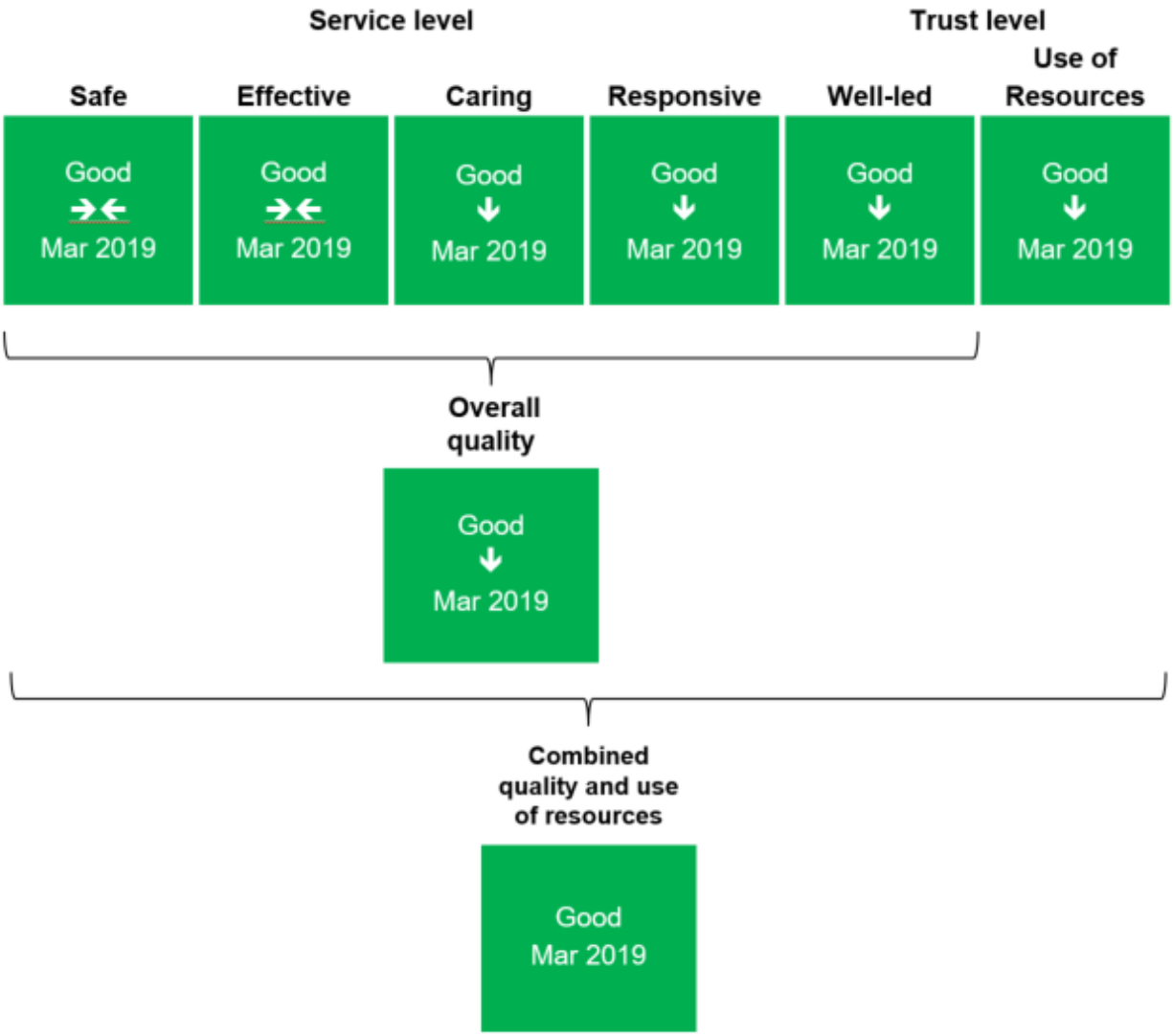
## Ratings tables

| 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 |

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| | 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. |

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| 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 |

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| | 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. |