Lancashire Teaching Hospitals NHS Foundation Trust

Use of Resources assessment report

Address
Sharoe Green Lane
Fulwood
Preston
PR2 9HT
Tel: 01772 716565
www.lancsteachinghospitals.nhs.uk

Date of publication: 7 November 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	**Requires improvement**
Are services safe?	**Requires improvement**
Are services effective?	**Requires improvement**
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/RXN/reports)

Are resources used productively?	**Requires improvement**

Combined rating for quality and use of resources	**Requires improvement**

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 requires improvement, because:

- We rated safe, effective and responsive as requires improvement; and caring and well led as good. At Royal Preston Hospital we rated two of the four services inspected as requires improvement and two as good. At Chorley and South Ribble Hospital we rated both core services inspected as good. In rating the trust, we took into account the current ratings of the services not inspected this time.
- We rated well-led for the trust overall as good.
- Our rating for Royal Preston Hospital was requires improvement overall which was the same as the last inspection. Our rating for Chorley and South Ribble Hospital was good which was an improvement from the last inspection when it was rated requires improvement.
- Our ratings for urgent and emergency care and medicine at Royal Preston Hospital were requires improvement which were the same at the last inspection, although the ratings for effective and well led improved for urgent and emergency care.
- Our rating for critical care at Royal Preston Hospital was good which was an improvement from the last inspection when we rated it as requires improvement.
- Our rating for surgery at Royal Preston Hospital was good which was from the same as the last inspection when we rated it as good. Our ratings for effective went from good to requires improvement and our rating for responsive went from requires improvement to good
- Our ratings for urgent and emergency care and medicine at Chorley and South Ribble Hospital were both good which was an improvement from the last inspection when they were both rated requires improvement.
- The trust was rated as requires improvement for use of resources. Full details of the assessment can be found on the following pages.

NHS Improvement

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Use of Resources assessment report

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Date of site visit:
08 July 2019

Date of NHS publication: 7 November 2019

This report describes NHS Improvement's assessment of how effectively this trust uses its resources. It is based on a combination of data on the trust's performance over the previous 12 months, our local intelligence, the trust's commentary on its performance, and qualitative evidence collected during a site visit comprised of a series of structured conversations with the trust's leadership team.

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

How we carried out this assessment

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

We visited the trust on 08 July 2019 and met the trust's leadership team including the chief executive and the chair, as well as relevant senior management responsible for the areas under this assessment's KLOEs.

Findings

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

- We rated the trust's use of resources as requires improvement.
- Since the last Use of Resources assessment in July 2018, the trust has maintained performance in some key areas as well as achieving improvements in areas where performance did not previously compare well nationally. However, some areas for improvement identified in the last assessment remain a challenge for the trust. In addition, the financial position of the trust has deteriorated and they were unable to accept their control total for 2018/19, together with an increase in their overall cost per Weighted Unit of Activity (WAU).
- In 2018/19 the trust was unable to accept its control total and reported a deficit of £50.4m against a plan of £46.4m deficit. For 2019/20 the trust has a control total and plan of £10.6m. The improvement from 2018/19 to 2019/20 is primarily because of an increase of £14.8m in national support funding in the form of the Financial Recovery Fund.
- At the end of quarter 1 they are £1m off plan due to the cost of escalation beds, however, are forecasting to hit the control total by year end. The control total acceptance was based on non-recurrent support from their local Clinical Commissioning Group.
- The trust has an ambitious cost improvement plan (CIP) of £25m (or 4.6% of its expenditure) and is currently forecasting to deliver against its plans, albeit 19% of it non-recurrently and at the end of July 35% remains unidentified. The trust delivered 88.6% of its planned savings in the previous financial year, of which 40% were non-recurrent.
- The trust is reliant on external loans to meet its financial obligations and deliver its services.
- The trust spends more on pay and other goods and services per WAU than most other trusts nationally, with an overall cost per WAU of £3,550 compared to a national median of £3,486. This indicates that the trust is less productive at delivering services than other trusts by showing that, on average, the trust spends more to deliver the same number of services. Since the last use of resources assessment in July 2018, the overall cost per WAU for the trust has increased whilst the national median has remained broadly the same.
- Individual areas where the trust's productivity compared particularly well included emergency readmissions, Did Not Attend rates, staff retention and top 10 medicines within pharmacy. The trust was also able to demonstrate some improvements from the previous use of resources assessment, including reducing the reliance on non-recurrent CIP and reducing the total backlog maintenance.
- Opportunities for improvement were identified in clinical productivity, Delayed Transfers of Care, stranded and super stranded patients, sickness absence and pay costs, all of which were previously identified as requiring improvement. In addition, despite forecasting to meet the agency ceiling for 2019/20, at month 3 the trust is already 31% over the year to date ceiling.

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

- At the time of the assessment in July 2019, the trust was not meeting the constitutional operational performance standards around Referral to Treatment (RTT), Cancer and Accident & Emergency (A&E).
- Patients are less likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 5.08%, emergency readmission rates are significantly below the national median of 7.73% for quarter 4 2018/19. Although this is an increase from the previous use of resources assessment (July 2018), the national median has also increased, and by a greater percentage, therefore, the trust remains in the lowest (best) quartile.
- More patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England.
    - On pre-procedure elective bed days, at 0.17, the trust is performing in the second highest (worst) quartile and above the national median of 0.12. The trust identified this is in part impacted by the number of patients traveling a considerable distance for specialist work and therefore, due to a clinical need are admitted the night before an operation. For example, in Neurology which was identified as an area of improvement by the trust. In order to reduce elective bed days, the trust noted clinicians are now required to follow the bed management process for all admissions reducing unnecessary admission the night before. In addition, they have introduced a new policy for the patient hotel to reduce the use of the hotel by relatives and free up capacity for patients.
    - On pre-procedure non-elective bed days, at 0.87, the trust benchmarks above the national median of 0.66. Despite remaining in the highest (worst) quartile when compared nationally, over the previous 12 months the trust has reduced the non-elective bed days from 1.13 (quarter 4 2017/18), whilst seeing a 7% rise in non-elective activity since the previous year. The trust noted this was as a result of work done on emergency theatre capacity and critical care, including 'touch base' meetings 3 times a day to ensure patients are being moved to the appropriate location as quickly as possible. In addition, the opening of a second emergency theatre in August 2019 is expected to further improve this metric.
- The trust has adopted a continuous improvement approach supported by a new team which has led to improvements across the trust, for example; a new ambulatory care pathway, a new surgical assessment unit and a new rapid assessment triage in the Emergency Department. In addition, a new surgical theatre coordinator is in post following work done by 'Four Eyes' on theatre efficiency. The trust noted this focus on flow has enabled more patients to be treated in the appropriate location.
- The Did Not Attend (DNA) rate for the trust is low at 6.53% compared to a national median of 6.96% for quarter 4 2018/19. The trust explained this is driven by a number of interventions including; the use of a text reminder service whereby patients can respond via text, the introduction of a call out team and targeted support for vulnerable groups such as patients with learning disabilities. The trust recognised there were still some areas of high DNAs, such as neurology and gastroenterology.
- At 8.6% for April 2019 and 8.5% for May 2019, the trust reports a delayed transfers of care (DTOC) rate that is higher than average and higher than the trust's own target rate of 3.5%. The trust identified a high proportion of delays are attributable to social care and in particular Elderly Mentally Infirm (EMI) packages of care in holiday periods are a challenge. The trust noted variation in the same local authority provision around 'Home First' was also an issue. The trust demonstrated they are working with system partners to address issues where possible, for example; through monthly Integrated Care System (ICS) senior leaders meetings and daily calls with the system.

- The trust has a large number of stranded (49.4% in May 2019) and super stranded patients (20.8% in May 2019). As a result the trust are working with NHS Improvement and England's Emergency Care Intensive Support Team (ECIST) team to implement ECIST guidance and together with ECIST colleagues, have visited a local trust to see best practice examples.
- Since the previous use of resources assessment (July 2018), the trust has made improvements around its engagement with the Getting It Right First Time (GIRFT) programme and have recently appointed a dedicated GIRFT Manager. Previously, GIRFT activities were reported through divisional committees, however, the trust are in the process of introducing a formal reporting structure through the improvement committee to Board on a regular basis.
- The trust has seen a number of improvements as a result of GIRFT, including, within renal where less patients are being brought into outpatients and are being seen at home as an alternative; knee arthroscopy has reduced from 22% to 9%; and in ophthalmology, reference costs have reduced from £150 in 2016/17 to £126 in 2017/18.

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

- For 2017/18 the trust had an overall pay cost per WAU of £2,308, compared with a national median of £2,180, placing it in the second highest (worst) quartile nationally. This means that it spends more on staff per unit of activity than most trusts.
- The trust benchmarks in the second highest (worst) quartile for Allied Health Professional (AHP) cost per WAU at £134 compared to a national median of £130. The trust explained there are gaps in the recording of AHP activity which has led to a higher than expected AHP cost per WAU. In order to resolve this, it has started a digital rollout for AHP activity. In addition, due to the specialist nature of some services and rehabilitation, the trust has a higher proportion of band 6 AHPs and noted they are now training a number of band 4 practitioners to ensure more efficient AHP skill mix.
- For nursing, the trust also benchmarked in the second highest (worst) quartile with a cost per WAU of £740 compared to a national median of £710. However, it benchmarks in the second lowest (best) quartile for Medical cost per WAU at £509 compared to a national median of £533. The trust demonstrated a plan on nursing investment, efficiency and productivity was in place showing savings of approximately £4m over 2 years, mainly as a result of the replacement of medical roles with nursing roles.
- For 2017/18, the trust had an agency cost per WAU of £87 compared to a national median of £107. This represents an improvement on the previous use of resources assessment (£93), however, the national median has also decreased to a greater degree (from £137 in 2016/17).
- The trust did not meet its agency ceiling as set by NHS Improvement for 2018/19 with an overspend of £800k. For 2019/20 it is forecasting to meet its ceiling, although at month 3 the trust are 31% over the year to date ceiling. The trust noted this is linked to the ongoing use of a winter escalation ward, staffed with agency, which operational pressures have prevented the trust from closing. At 3.4%, it is spending less than the national average of 4.4% on agency as a proportion of total pay spend.
- The trust has been successful in establishing its medical bank, with 860 medics registered, including over 100 who do not substantively work with the trust.
- The trust demonstrated it has been looking at a number of ways to ensure that gaps in staffing rotas are reduced. This includes looking at sharing of rotas with neighbouring trusts in difficult to recruit specialities and ensuring that the quality of the educational

experience is high, which increases the chance of staff returning to work at the trust following their training.

- In addition to the blended workforce models noted in the previous use of resources assessment, the trust has recruited an additional 10 physician associates who work within a number of specialities and help to support medical rota gaps. For example; within theatres, where the trust has seen the number of cancelled procedures reduce as a result.
- E-rostering is in place for 95% of staff and rosters are signed off 6 weeks ahead, in line with Carter recommendations. This is reported on monthly and the key performance indicators are used as part of the divisional operational management process.
- All consultants have job plans in place, with 90% of these being reviewed and agreed for 2019/20. They are captured on Allocate e-job plan. The trust believes there remains a gap of 27 consultants to cover before full 7 day services cover could be incorporated to job plans.
- Staff retention at the trust is good with a retention rate of 87.4% in December 2018 against a national median of 85.6%. The trust demonstrated that they understood the different professions relative rates, and in particular identified that there was a need to work on career progression for AHP staff.
- At 5.27% in November 2018, staff sickness rates are worse than the national average of 4.35%. However, this was an improvement over the previous 12 months and the trust were able to provide more recent data for June 2019 which showed further improvement to 4.90%. The trust were able to describe a number of initiatives in place to reduce sickness absence, such as:
    - the implementation of an absence management team who have targeted specific areas using interventions such as proactive training, staff engagement, improved team meetings and a 'stress box' to tackle conflicts within teams. The trust provided evidence to demonstrate on one ward this had led to a reduction in sickness absence rates from c12% to 5.98% in March 2019.
    - the introduction of a psychological well-being programme which is delivered through an occupational health provider in collaboration with Wrightington, Wigan and Leigh NHS FT and Bolton NHS FT. The trust noted this has led to a reduction in time staff were waiting for counselling services.

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

- For 2017/18 the trust had an overall Pathology cost per test of £1.69 which places it in the second lowest (best) quartile nationally and just below the median cost of £1.86. This has remined consistent with the cost from the previous use of resources assessment which stood at £1.70. However, the costs of one or two of its sub programme service areas are still above the national median including; Cellular Pathology at £24.92 against a national median cost of £21.11; and Blood Sciences at £1.00 against national median of £0.92. The trust is aware of this and noted they are looking at more flexible workforce arrangements to help reduce costs, including standardising more job roles and looking to use band 7 posts more flexibly.
- Whilst the trust's test per capita position of 26.0 was above the national median level of 22.6, the trust was able to demonstrate steps have been taken to reduce the number of avoidable tests. This includes the introduction of the Quadramed ordering system which had resulted in a reduction in the number of repeat orders on tests and is projected to result in 7,000 fewer tests per annum.

- The trust are part of a Lancashire Network programme for pathology which will help develop improved efficiencies across the service, however, at the time of the assessment, limited progress had been made in developing the Strategic Outline Case document, including details of the potential benefits from the Network.
- With regards to Imaging Services, the trust demonstrated they are working collaboratively as part of a Lancashire Imaging Collaborative network, although it was still understanding the level of benefits it was expecting to receive. At the time of the assessment there was no overall cost per report data available due to the trust introducing a new IT system which went live in April 2019.
- The trust appears to be an outlier with regards to its medicines spend, with a cost per WAU of £331 in comparison to a national median of £320. The trust explained this relatively high cost is in part due to specialist oncology drug spending levels; increased costs of the aseptic prepared medicines as a result of restrictions being placed on the Preston Pharmaceutical Manufacturing unit (that resulted in the outsourcing of some products); and an increase in the number of homecare supplied medicines.
- Looking at the performance of the top 10 medicines, the trust has performed well over 2018/19 delivering £0.941m savings (in addition to £1.56m delivered in 2017/18), and the service appears to be performing well across a number of key biosimilar drugs including, for example, Infliximab (100% uptake), Etanercept (80% uptake), and Rituximab (80% uptake), all of which are above benchmark values.
- The trust also has 36% of prescribing pharmacists whose number have increased from 19% in 2016/17. The trust demonstrated these members of staff are having a proactive impact on patient flow and have improved patient safety. For example, the number of medicines reconciliation within 24 hours of admission has increased from 73% to 76% where pharmacist prescribers have had a clear role in the resolution of discrepancies, in particular where medication is omitted on admission. In addition, a pilot service provided in A&E has led to a reduction of 80% of incorrect doses, 66% of unintentionally omitted medicines, 50% of missed doses for prescribed medications and 71% of discrepancies found on clinical review.
- The trust demonstrated it is using technology to improve operational productivity including, the introduction of sending patients electronic letters via their mobile phones reminding them of their outpatient appointments. The new system was developed over 2018/19 and was introduced from May 2019. In addition, the trust is using virtual clinics, telephone clinics and video technology in some areas and are developing a case for digital pathology to support the cancer pathway.

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

- For 2017/18 the trust had an overall non-pay cost per WAU of £1,243 compared to a national median of £1,307, placing the trust in the second lowest (best) quartile. This represents a small improvement from the previous use of resources assessment.
- The cost of running its corporate services varies when compared nationally. For the finance function the trust had a cost per £100 turnover of £438.2k compared to the national median of £676.4k, which is an improvement on the previous year.
- However, for HR, at £957.6k per £100m turnover compared to a national median of £898.02k, there has been a significant increase in function cost since the previous use of resources assessment moving the trust from the lowest (best) quartile in 2016/17 to the second highest (worst) quartile in 2017/18. The trust noted the increase was as a result of some functions within medical workforce, e-rostering and education being correctly

allocated into the overall function cost for 2017/18 which were not previously included in 2016/17.

- With regards to HR services, the trust noted it has actively invested in a number of services including its Occupational Health team (increased by an additional £76,000 from 2015/16 to 2017/18), and their Temporary Staff Support Team (which has increased from £113,000 in 2015/16 to £210,000 in 2017/18). The trust's Occupational Health service, for example, is delivered as part of a commercial joint venture arrangement with Wrightington, Wigan and Leigh NHS FT and Bolton NHS FT and is generating additional income for the trust which has helped curtail the costs of the service over the last 5 years i.e. no additional costs have been required by the service.
- For IM&T the trust had a cost per £100m turnover of £2.25m compared to a national median of £2.47m.
- With regards to corporate services the trust was able to demonstrate it is working collaboratively with others and currently provides a payroll services on behalf of Lancashire Care NHS Trust and is considering further commercial opportunities to expand this service.
- The trust's Procurement Process Efficiency and Price Performance Score is 87, which placed it in the best quartile and is above the national average of 79.0. The trust's procurement team are part of the Lancashire Cluster, including East Lancashire NHS Trust and Blackpool Teaching Hospitals NHS Trust and are currently involved in a process of merging all of the procurement operations into a single model.
- The trust's cost per WAU for supplies and services for 2017/18 is £343 compared to a national average of £364 and has fallen since the previous use of resources assessment (£404 in 2016/17) which means that the overall procurement costs are comparatively less expensive. However, what the trust spends on its procurement function is comparatively more expensive than the national average at £334.02k per £100m turnover compared to the national median of £206.25k per £100m turnover. The trust noted these costs are expected to reduce once the proposed merger of all of the current procurement operations moves into a single model.
- The trust was able to demonstrate it has made positive use of the PPIB tool and have used this to help inform the delivery of efficiency savings for the trust. For example, over the past 12 months the opportunity variance to the median identified a potential opportunity for the trust of £648,000 – over the past 3 months this has reduced to £450,000, delivering a 30% improvement.
- For 2017/18, the trust had an overall estates and facilities cost of £241 per square metre which places it in the lowest (best) quartile nationally and below the national median of £342 per square metre.
- The amount of non-clinical space within the trust is high at 38.1%, in particular at the Chorley site where this is 43%. It was acknowledged that this is a challenge across the trust, but they had appointed a new head of service whose remit would be to address these high levels.
- The trust's backlog maintenance figure of £186 per square metre is in line with the benchmark value. However, the trust's total critical infrastructure risk levels are high at £119 per square metre compared to a benchmark value of £57 per square metre and this is particularly high at the Royal Preston site (£146 per square metre.) The trust confirmed that an annual refreshed building survey is carried out each year to ensure that the most appropriate and best use is made of the trust's backlog maintenance programme to help manage and mitigate any building or property risk.

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

- The trust is in deficit and has an inconsistent track record of managing spending within available resources and in line with plans.
- In 2018/19 the trust was unable to accept its control total and reported a deficit of £50.4m against a plan of £46.4m deficit. For 2019/20 the trust has a control total and plan of £10.6m. The improvement from 2018/19 to 2019/20 is primarily because of an increase of £14.8m in national support funding in the form of the Financial Recovery Fund.
- At the end of quarter 1, they have a £4.5m variance to their control total, including the loss of £3.5m of Provider Sustainability Funding (PSF), Financial Recovering Fund (FRF) and Marginal Rate Emergency Tariff (MRET) funding due to the cost of escalation beds. However, the trust are still forecasting to hit the control total by year end. The control total acceptance was based on non-recurrent support from their local Clinical Commissioning Group.
- The trust has an ambitious cost improvement plan (CIP) of £25m (or 4.6% of its expenditure) and is currently forecasting to deliver against its plans albeit 19% of it non-recurrently, and at the end of July 11% remains unidentified. The trust's reliance on non-recurrent savings was identified as an area of improvement in the previous use of resources assessment. The trust delivered 88.6% of its planned savings in the previous financial year, of which 40% were non-recurrent. In 2017/18 the trust only delivered 49% of its CIP of which, 60% was non-recurrent.
- The trust has relatively low cash reserves and is not able to consistently meet its financial obligations and pay its staff and suppliers in the immediate term, as reflected by its capital service and liquidity metrics. The trust is reliant on short-term loans to maintain positive cash balances.
- The trust issues SLR data on a quarterly basis and utilises it in their budget setting process to help identify and set efficiency targets. It has delivered efficiencies though the identification of incorrect coding and pathway improvements.
- The trust actively seek alternative sources of income to support the trust finances. This includes providing and bidding for payroll services for other trusts and setting up a separate company for Education and research to gain additional access to grants and funding. The trust has also set up a partnership with two neighbouring trusts to deliver occupational health services for themselves and other organisations which enables them to generate income above cost to reinvest back into the services.
- The trust spent £800k on consultancy costs in 2018/19 which was for input into their improvement agenda.

Outstanding practice

Areas for improvement

- The trust needs to develop a plan to return to financial balance and remove the requirement for borrowing to meet its financial obligations.
- The trust remains an outlier for pre-procedure length of the stay for elective and non-elective which continues to present an opportunity for the trust to improve productivity.
- DTOC rates remain above the national average and the trust's target rate. In addition, the trust has high numbers of stranded and super stranded patients. The trust would benefit from further work with system partners to reduce these.
- Although the levels of backlog maintenance have been reduced since the previous use of resources assessment, the trust currently has high levels of critical infrastructure risk and the trust would benefit from further work to address this.
- Despite improvements over the previous 12 months, staff sickness absence rates remain above the national average.
- For 2019/20 the trust is forecasting to meet its agency ceiling, however, at month 3 the trust are already 31% over the year to date ceiling and will need to reduce agency spend in order to meet this.

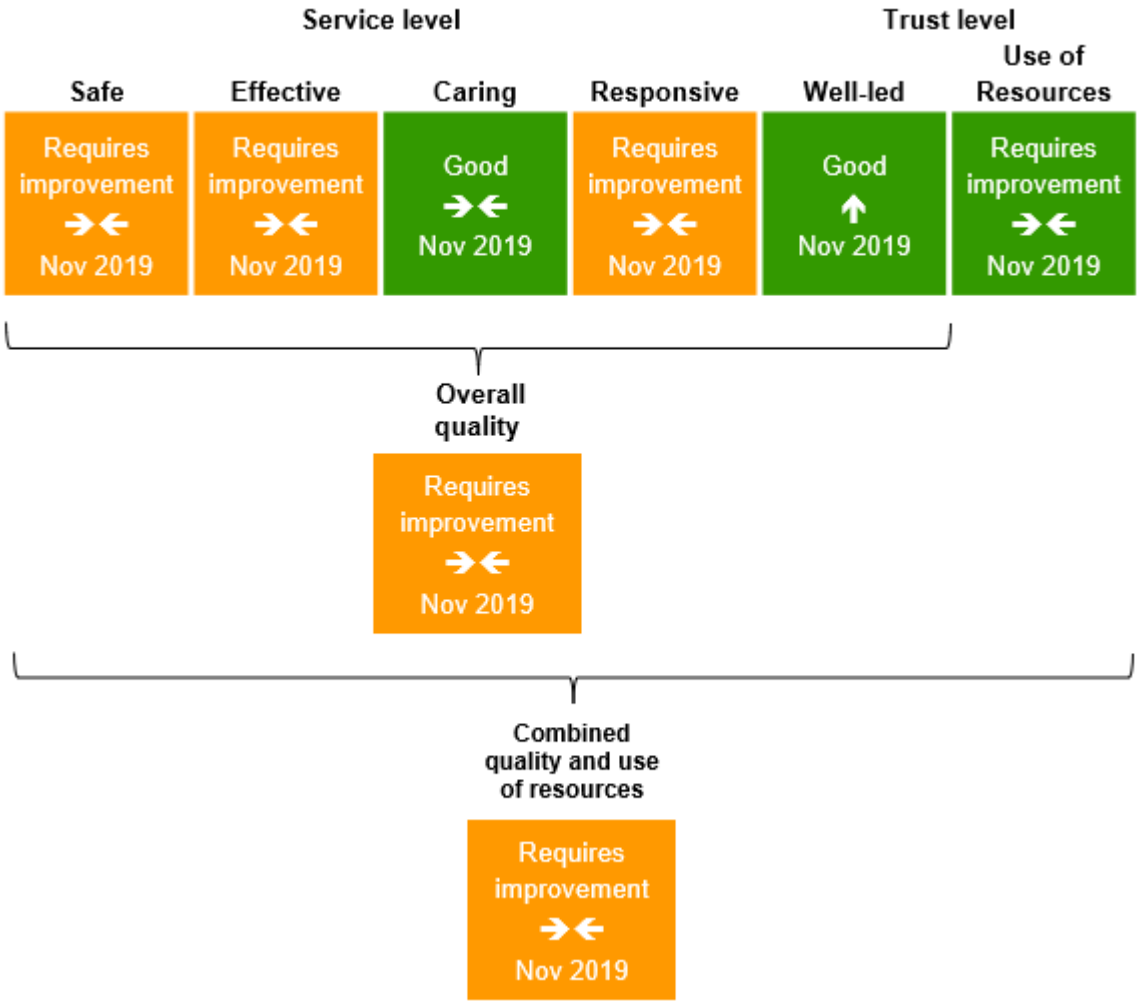
Ratings tables

Key to tables					
Ratings	Inadequate	Requires improvement	Good	Outstanding	
Rating change since last inspection	Same	Up one rating	Up two ratings	Down one rating	Down two ratings
Symbol *	➔➔	↑	↑↑	↓	↓↓
Month Year = date key question inspected					

***** Where there is no symbol showing how a rating has changed, it means either that:

- we have not inspected this aspect of the service before or
- we have not inspected it this time or
- changes to how we inspect make comparisons with a previous inspection unreliable.

Ratings for the whole trust



Use of Resources report glossary

Term	Definition
18-week referral to treatment target	According to this national target, over 92% of patients should wait no longer than 18 weeks from GP referral to treatment.
4-hour A&E target	According to this national target, over 95% of patients should spend four hours or less in A&E from arrival to transfer, admission or discharge.
Agency spend	Over reliance on agency staff can significantly increase costs without increasing productivity. Organisations should aim to reduce the proportion of their pay bill spent on agency staff.
Allied health professional (AHP)	The term 'allied health professional' encompasses practitioners from 12 diverse groups, including podiatrists, dietitians, osteopaths, physiotherapists, diagnostic radiographers, and speech and language therapists.
AHP cost per WAU	This is an AHP specific version of the pay cost per WAU metric. This allows trusts to query why their AHP pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Biosimilar medicine	A biosimilar medicine is a biological medicine which has been shown not to have any clinically meaningful differences from the originator medicine in terms of quality, safety and efficacy.
Cancer 62-day wait target	According to this national target, 85% of patients should begin their first definitive treatment for cancer within 62 days following an urgent GP referral for suspected cancer. The target is 90% for NHS cancer screening service referrals.
Capital service capacity	This metric assesses the degree to which the organisation's generated income covers its financing obligations.
Care hours per patient day (CHPPD)	CHPPD measures the combined number of hours of care provided to a patient over a 24 hour period by both nurses and healthcare support workers. It can be used to identify unwarranted variation in productivity between wards that have similar speciality, length of stay, layout and patient acuity and dependency.
Cost improvement programme (CIP)	CIPs are identified schemes to increase efficiency or reduce expenditure. These can include recurrent (year on year) and non-recurrent (one-off) savings. CIPs are integral to all trusts' financial planning and require good, sustained performance to be achieved.
Control total	Control totals represent the minimum level of financial performance required for the year, against which trust boards, governing bodies and chief executives of trusts are held accountable.
Diagnostic 6-week wait target	According to this national target, at least 99% of patients should wait no longer than 6 weeks for a diagnostic procedure.

Did not attend (DNA) rate	A high level of DNAs indicates a system that might be making unnecessary outpatient appointments or failing to communicate clearly with patients. It also might mean the hospital has made appointments at inappropriate times, eg school closing hour. Patients might not be clear how to rearrange an appointment. Lowering this rate would help the trust save costs on unconfirmed appointments and increase system efficiency.
Distance from financial plan	This metric measures the variance between the trust's annual financial plan and its actual performance. Trusts are expected to be on, or ahead, of financial plan, to ensure the sector achieves, or exceeds, its annual forecast. Being behind plan may be the result of poor financial management, poor financial planning or both.
Doctors cost per WAU	This is a doctor specific version of the pay cost per WAU metric. This allows trusts to query why their doctor pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Delayed transfers of care (DTOC)	A DTOC from acute or non-acute care occurs when a patient is ready to depart from such care is still occupying a bed. This happens for a number of reasons, such as awaiting completion of assessment, public funding, further non-acute NHS care, residential home placement or availability, or care package in own home, or due to patient or family choice.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation divided by total revenue. This is a measurement of an organisation's operating profitability as a percentage of its total revenue.
Emergency readmissions	This metric looks at the number of emergency readmissions within 30 days of the original procedure/stay, and the associated financial opportunity of reducing this number. The percentage of patients readmitted to hospital within 30 days of discharge can be an indicator of the quality of care received during the first admission and how appropriate the original decision made to discharge was.
Electronic staff record (ESR)	ESR is an electronic human resources and payroll database system used by the NHS to manage its staff.
Estates cost per square metre	This metric examines the overall cost-effectiveness of the trust's estates, looking at the cost per square metre. The aim is to reduce property costs relative to those paid by peers over time.
Finance cost per £100 million turnover	This metric shows the annual cost of the finance department for each £100 million of trust turnover. A low value is preferable to a high value but the quality and efficiency of the department's services should also be considered.
Getting It Right First Time (GIRFT) programme	GIRFT is a national programme designed to improve medical care within the NHS by reducing unwarranted variations.
Human Resources (HR) cost per £100 million turnover	This metric shows the annual cost of the trust's HR department for each £100 million of trust turnover. A low value is preferable to a high value but the quality and efficiency of the department's services should also be considered.

Income and expenditure (I&E) margin	This metric measures the degree to which an organisation is operating at a surplus or deficit. Operating at a sustained deficit indicates that a provider may not be financially viable or sustainable.
Key line of enquiry (KLOE)	KLOEs are high-level questions around which the Use of Resources assessment framework is based and the lens through which trust performance on Use of Resources should be seen.
Liquidity (days)	This metric measures the days of operating costs held in cash or cash equivalent forms. This reflects the provider's ability to pay staff and suppliers in the immediate term. Providers should maintain a positive number of days of liquidity.
Model Hospital	The Model Hospital is a digital tool designed to help NHS providers improve their productivity and efficiency. It gives trusts information on key performance metrics, from board to ward, advises them on the most efficient allocation of resources and allows them to measure performance against one another using data, benchmarks and good practice to identify what good looks like.
Non-pay cost per WAU	This metric shows the non-staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less per standardised unit of activity than other trusts. This allows trusts to investigate why their non-pay spend is higher or lower than national peers.
Nurses cost per WAU	This is a nurse specific version of the pay cost per WAU metric. This allows trusts to query why their nurse pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Overall cost per test	The cost per test is the average cost of undertaking one pathology test across all disciplines, taking into account all pay and non-pay cost items. Low value is preferable to a high value but the mix of tests across disciplines and the specialist nature of work undertaken should be considered. This should be done by selecting the appropriate peer group ('Pathology') on the Model Hospital. Other metrics to consider are discipline level cost per test.
Pay cost per WAU	This metric shows the staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less on staff per standardised unit of activity than other trusts. This allows trusts to investigate why their pay is higher or lower than national peers.
Peer group	Peer group is defined by the trust's size according to spend for benchmarking purposes.
Private Finance Initiative (PFI)	PFI is a procurement method which uses private sector investment in order to deliver infrastructure and/or services for the public sector.
Patient-level costs	Patient-level costs are calculated by tracing resources actually used by a patient and associated costs
Pre-procedure elective bed days	This metric looks at the length of stay between admission and an elective procedure being carried out – the aim being to minimise it – and the associated financial productivity opportunity of reducing this. Better performers will have a lower number of bed days.

Pre-procedure non-elective bed days	This metric looks at the length of stay between admission and an emergency procedure being carried out – the aim being to minimise it – and the associated financial productivity opportunity of reducing this. Better performers will have a lower number of bed days.
Procurement Process Efficiency and Price Performance Score	This metric provides an indication of the operational efficiency and price performance of the trust's procurement process. It provides a combined score of 5 individual metrics which assess both engagement with price benchmarking (the process element) and the prices secured for the goods purchased compared to other trusts (the performance element). A high score indicates that the procurement function of the trust is efficient and is performing well in securing the best prices.
Sickness absence	High levels of staff sickness absence can have a negative impact on organisational performance and productivity. Organisations should aim to reduce the number of days lost through sickness absence over time.
Service line reporting (SLR)	SLR brings together the income generated by services and the costs associated with providing that service to patients for each operational unit. Management of service lines enables trusts to better understand the combined view of resources, costs and income, and hence profit and loss, by service line or speciality rather than at trust or directorate level.
Supporting Professional Activities (SPA)	Activities that underpin direct clinical care, such as training, medical education, continuing professional development, formal teaching, audit, job planning, appraisal, research, clinical management and local clinical governance activities.
Staff retention rate	This metric considers the stability of the workforce. Some turnover in an organisation is acceptable and healthy, but a high level can have a negative impact on organisational performance (eg through loss of capacity, skills and knowledge). In most circumstances organisations should seek to reduce the percentage of leavers over time.
Top Ten Medicines	Top Ten Medicines, linked with the Medicines Value Programme, sets trusts specific monthly savings targets related to their choice of medicines. This includes the uptake of biosimilar medicines, the use of new generic medicines and choice of product for clinical reasons. These metrics report trusts' % achievement against these targets. Trusts can assess their success in pursuing these savings (relative to national peers).
Weighted activity unit (WAU)	The weighted activity unit is a measure of activity where one WAU is a unit of hospital activity equivalent to an average elective inpatient stay.