

# Luton and Dunstable University Hospital NHS Foundation Trust

## Use of Resources assessment report

Lewsey Road  
Luton  
Bedfordshire  
LU4 0DZ

Date of publication:  
7 December 2018

Tel: 01582491166  
[www.ldh.nhs.uk](http://www.ldh.nhs.uk)

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

### Ratings

<b>Overall quality rating for this trust</b>	<b>Good</b> ●
<b>Are services safe?</b>	<b>Requires improvement</b> ●
<b>Are services effective?</b>	<b>Good</b> ●
<b>Are services caring?</b>	<b>Good</b> ●
<b>Are services responsive?</b>	<b>Outstanding</b> ★
<b>Are services well-led?</b>	<b>Good</b> ●

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/RC9/reports](http://www.cqc.org.uk/provider/RC9/reports))

<b>Are resources used productively?</b>	<b>Good</b> ●
<b>Combined rating for quality and use of resources</b>	<b>Good</b> ●

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

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

## **Use of Resources assessment and rating**

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

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

## **Combined rating for Quality and Use of Resources**

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

This is the first time that we have awarded a combined rating for Quality and Use of Resources at this trust. The combined rating for Quality and Use of Resources for this trust was good, because:

- We rated safe as requires improvement and effective, caring, responsive and well-led as good.
- We rated two of the trust's services as outstanding and six as good overall, we considered the current ratings of the four services not inspected this time.
- We rated well-led for the trust overall as good.
- During this inspection, we did not inspect urgent and emergency services, maternity, end of life care and outpatients' services. The ratings we published following the previous inspections are part of the overall rating awarded to the trust this time.
- The trust was rated good for use of resources. Full details of the assessment can be found on the following pages.

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## Use of Resources assessment report

Lewsey Road  
Luton  
LU4 0DZ

Tel: 01582 491166  
www.ldh.nhs.uk

Date of site visit:  
31 August 2018

Date of NHS publication:  
<xx.MONTH.201x>

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.

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

**Good** ●

## How we carried out this assessment

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

We visited the NHS trust on 31 August 2018 and met the NHS trust's executive team (including the chief executive), a non-executive director (in this case, the Chair of the Finance Investment and Performance Committee) and relevant senior management responsible for the areas under this assessment's KLOEs.

## Summary of findings

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

Good 

We rated the NHS trust's use of resources as good. The trust spends less per weighted unit of activity (WAU) than most other NHS trusts. It has maintained a strong cash position and reported a surplus for 2017/18. The NHS trust however has experienced challenges with recruitment and retention of staff meaning it is reliant on temporary staffing to deliver services.

- For 2016/17, the NHS trust has a cost per WAU of £3,132 placing it in the lowest (best) quartile nationally. This indicates that it spends less per weighted unit of activity than most other NHS trusts. Individual areas where its productivity compared particularly well included clinical support services, procurement and sickness management, while opportunities for improvement were identified in estates maintenance, agency spend and clinical services.
- Running costs for clinical support services are relatively lower than most other NHS trusts in England. The NHS trust secured all available year to date savings opportunities identified in the Top Ten Medicines programme and is one of the leading NHS trusts nationally in the implementation of eprescribing for inpatients, which facilitates better medicines optimisation.
- The NHS trust has relatively efficient procurement processes and it tends to secure prices that will drive down costs. The NHS trust however has a high estates maintenance backlog which presents an infrastructural risk and has contributed to the higher than average maintenance costs.
- Productivity in clinical services is variable. The NHS trust has maintained Delayed Transfers of Care (DTOCs) below national benchmarks. However, the readmission and Did Not Attend (DNA) rates remain above national average. The NHS trust is reviewing its readmission and clinic management processes to improve productivity.
- The NHS trust's workforce productivity measure of overall pay cost per WAU is better than national average. However, the medical and agency costs per WAU benchmark in the highest (worst) quartile nationally, indicating that the NHS trust spends more on medical and agency staffing to deliver its activity than other NHS trusts nationally.
- The NHS trust uses a consultant led care model across most services and is currently implementing speciality-based care (to replace ward-based care) for inpatients. This approach is the main driver for the high medical staffing costs.
- Although it is unusual for a trust of this size to use these models, the NHS trust opted for this approach to deliver better clinical management and achieve operational performance standards. The NHS trust is meeting all but one of its constitutional operation standards, 18-week Referral to Treatment (RTT) was slightly below the national standard.
- The NHS trust has experienced recruitment and retention challenges and despite efforts to address this, growth in activity and the requirement to maintain quality means it continues to rely heavily on temporary staffing to deliver services. This is driving the high agency spend.
- The NHS trust's overall sickness rates have been maintained below national average and this is attributed to its effective sickness management policy. There is scope for improvement in retention rates which remain above national average.

- For 2017/18, the NHS trust delivered its control total, a surplus of £1.7 million excluding STF (0.5% of turnover) and for 2018/19 the NHS trust is forecasting delivery of its plan, a surplus of £3.9 million excluding STF (1.1% of planned income). The NHS trust is operating with an underlying deficit (1.2% of actual income for 2017/18 and 1.0% of planned income for 2018/19) and relies on STF, PSF and non-recurrent revenue funding to deliver its surpluses.
- The NHS trust has a strong cash position and can meet all its financial obligations. It delivered the Cost Improvement Programme (CIP) for 2017/18, all of which were recurrent. The NHS trust is currently forecasting to deliver against its 2018/19 CIP plan but with a higher proportion of non-recurrent savings than originally planned.

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

The NHS trust has worked with partners to deliver joined up care in the discharge process and has maintained DTOC levels below national benchmarks. The NHS trust also performs well against most of the operational standards however, there are opportunities for productivity improvements in clinical services.

- At the time of the assessment in August 2018, the NHS trust was meeting the constitutional operational performance standards for Accident and Emergency (A&E), Cancer and Diagnostics. Performance against RTT was at 90% which was just below the 92% standard, the NHS trust experienced loss of theatre time when they were temporarily closed due to challenges with the estate.
- Patients are more likely to require additional medical treatment for the same condition at this NHS trust compared to other NHS trusts. At 8.5% (Q4 2017/18) emergency readmission rates have improved from previous months but remain above the national median of 7.2%. The NHS trust is working to reduce readmission rates by engaging with care homes and community services to improve follow-on care in the community and improving its internal discharge processes.
- The number of patients coming into hospital unnecessarily prior to treatment compared to other hospitals in England is variable for elective and non-elective procedures. Pre-procedure non-elective bed days at 1.15 benchmark in the highest (worst) quartile nationally, indicating that more patients come in unnecessarily for non-elective procedures. Elective pre-procedure bed days at 0.086 however, benchmark in the lowest (best) quartile.
- To further improve its overall clinical productivity, the NHS trust is currently implementing a needs-based care (NBC) approach for patients. This entails moving from ward-based admissions to specialty-based admission. Although the needs-based model is unusual for a trust of this size, the changes are beginning to deliver some improvements such as reductions in LOS.
- The NHS trust's DNA rate at 9.8% (Q1 2017/18) places the NHS trust in the top (worst) quartile nationally. The NHS trust has experienced challenges in management of its clinic utilisation, with the current legacy Patient Administration System (PAS) unable to facilitate effective forward planning of clinics. The NHS trust therefore uses manual processes and has a very reactive approach to scheduling its clinic lists. To improve the booking process and fill rates, the NHS trust is realigning outpatients booking services to specialities and has introduced virtual follow up clinics for patient groups with high DNA

rates. The NHS trust is also looking to improve engagement with patients through refining its text and call reminder system.

- The NHS trust's DTOC rate of 1.7% is markedly lower than the national standard of 3.5%. This success has been recognised, especially the partnership working with Luton Borough Council. Technology has been leveraged, by way of a discharge APP, which enables the integrated discharge team to monitor patients throughout the discharge pathway.
- The NHS trust has fully engaged with the GIRFT programme and has action plans in place for a number of specialities including Orthopaedics, Urology, Obstetrics and Gynaecology with the Emergency Department next in line. Benefits delivered include development of a clean joint unit.

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

The NHS trust spends less on staff per unit of activity than most trusts, as indicated by the overall pay cost per WAU. The NHS trust has however experienced challenges with recruitment and retention of staff and is reliant on temporary staffing to deliver activity, which is driving high agency spend.

- For 2016/17 the NHS trust had an overall pay cost per WAU of £2,013, compared with a national median of £2,157, placing it in the second lowest cost quartile nationally. This means that overall it spends less on staff per unit of activity than most NHS trusts. This position is driven by the nursing and Allied Health Professional (AHP) costs per WAU which are however than national average.
- For the same period, the NHS trust's costs per WAU for medical and agency staff benchmark in the highest (worst) cost quartile nationally. A higher proportion of the agency costs are associated with medical staffing requirements. This means that the NHS trust spends more on medical and agency staff per unit of activity than most NHS trusts in England.
- The NHS trust acknowledges the higher medical costs associated with delivering activity and attribute this to their consultant led models of care which are aimed at achieving better clinical decision making and delivery of performance against constitutional operational standards.
- The NHS trust has high vacancy rates having experienced challenges with recruitment and retention. The NHS trust is reliant on temporary staffing to deliver activity and explained that despite efforts to improve recruitment, the staffing requirements to deliver the activity growth and maintain quality have outstripped the growth in permanent staff.
- The NHS trust is taking action to reduce agency spend and was able to achieve a year on year reduction in 2017/18. However, at the time of the assessment, the NHS trust was reporting agency spend as higher than their internal plan and above the ceiling set by NHS Improvement.
- The NHS trust has been working as part of the Bedfordshire and Hertfordshire collaborative to ensure there are agreements in place to manage levels of temporary staffing pay across the system. Our review of the most recent data identified the NHS

trust is demonstrating compliance with price caps for agency, except for medical agency usage.

- To improve recruitment and retention the NHS trust takes a proactive approach to staff engagement as indicated by the 2017 national staff survey where it benchmarked highly for overall staff engagement. The NHS trust has been successful in its overseas recruitment drives and has a mentorship programme for newly appointed consultants and, a preceptorship programme for newly qualified nurses. Plans are being developed relevant to other staff groups which have high turnover rates, such as healthcare support workers.
- There has been some sustained improvement in the overall staff retention rates since April 2017 when NHS trust had a rate of 82.5% however, at 83.5% (April 2018) the NHS trust continues to benchmark below (worse) the national median of 85.8%.
- 100% of the NHS trust's total headcount of consultants have an active job plan compared to a national median of 89% (2016/17). The NHS trust has acted to ensure job plans reflect the needs of the service, for example surgeons have flexible job plans to deliver a 51 week per year coverage of theatres for planned work. We were not able to establish the actual direct clinical care utilisation rates as current NHS trust processes and information systems at the NHS trust do not support this. However, the NHS trust explained that consultant productivity is managed at team level ensuring leave and other non-clinical activities do not disproportionately displace direct clinical care activity.
- The NHS trust has made some progress with developing alternative workforce models, an example of which is investment in reporting radiographers who have delivered additional capacity for plain film reporting. Other alternative workforce models being developed include prescribing pharmacists. Further work is required to fully utilise other opportunities within the non-medical workforce.
- A programme of apprentices is in place within the NHS trust relevant to several areas of work within the organisation including administration, operational management and healthcare workers.
- E-rostering is used by the NHS trust to support effective use of staffing resources for nursing, midwifery and radiographers. The NHS trust is also in the process of developing the use of e-rostering to support management of junior doctors' rotas.
- The NHS trust has maintained sickness absence rates below national average for most of last year with performance for March 2018 at 3.70%, placing it in the lowest (best) quartile nationally. The NHS trust's sickness management policy which was developed more than three years ago, focusses on a shift in culture and ownership by local managers for effective sickness management.

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

Clinical Support Services at the NHS trust represent good value for money overall with most productivity metrics being in the best or second-best quartile nationally. There are however opportunities for improvement in imaging capacity utilisation and medicines reconciliation.

- For 2016/17 the overall cost per test at the NHS trust benchmarks in the lowest quartile nationally at £1.08 per test against a national average of £1.99.

- The NHS trust demonstrated early engagement with the concept of shared pathology services, being one of the original 10 pilot sites for the Carter Review of pathology services. The NHS trust is working to establish a shared microbiology on call service with Bedford Hospital NHS trust and the two NHS trusts are working towards a complete shared local pathology network.
- The NHS trust's total cost of imaging services is in the lowest quartile nationally at £8.79 million. Pay cost per report is in the second lowest quartile at £29.16 compared to a national median of £34.44. DNA rates for CT, MRI, Obstetric Ultrasound, Non-Obstetric Ultrasound and Nuclear Medicine are all higher than national average however there was no reporting backlog in these areas at the 2016/17 year end.
- The NHS trust's medicines cost per WAU is relatively low at £326 per WAU when compared to the national average of £354 for 2016/17. As part of the Top Ten Medicines programme, it is making good progress in delivering on nationally identified savings opportunities, achieving £474,430 so far for 2018/19 compared to a national average of £277,270 of the savings target. The NHS trust has an Adalimumab Steering Group to manage the switch to the biosimilar medicine in Autumn 2018. This is a shared forum of Pharmacists and Consultants and it is through forums like this that Consultant prescribing behaviour is managed.
- The NHS trust is part of a local pharmacy collaboration, East of England Pharmacy Hub, through which it purchases pharmacy supplies and equipment. This delivered savings of £431,377 which was 61% of possible savings for 2017/18.
- The NHS trust has an electronic prescribing and medicines management system and latest data available (2015/16) shows it exceeds national benchmarks for implementation of eprescribing in inpatients and discharge services. There are however, areas of weakness within medicines reconciliation within 24 hours of admission. For 2016/17 this was 20% for the NHS trust compared to a national median of 72%.
- The NHS trust has been a Global Digital Exemplar since 2017. This is a programme that leverages technology to deliver service transformation. The NHS trust has made progress in some projects which include working towards integration of inpatient care systems.

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

The NHS trust is relatively efficient in its procurement processes, however the estates data for soft facilities management indicates that the NHS trust is not getting the best prices for these services despite a recent outsourced tender process. The NHS trust also has a high maintenance backlog which presents an infrastructure risk.

- For 2016/17 the NHS trust had an overall non-pay cost per WAU of £1,119, compared with a national median of £1,301, placing it in the lowest cost quartile nationally. This suggests that the NHS trust is getting good value for money overall on non-pay spend. However, the NHS trust did not take part in the national benchmarking exercise for corporate services and back office functions, therefore it has not been possible to assess these areas.
- The NHS trust's procurement processes are relatively efficient and tend to successfully drive down costs on the things it buys. This is reflected in the NHS trust's

cost per WAU 2016/17 for supplies and services which at £353 is better than the national average of £375. The NHS trust's Procurement Process Efficiency Score of 70.8, places it in the best segment when compared with a lower national average of 49.6.

- At £361 per square metre in 2016/17, the NHS trust's estates and facilities costs benchmark above the national average of £340. The NHS trust has high backlog maintenance costs of £514 per m<sup>2</sup> for 2016/17 compared to a national benchmark of £197 per m<sup>2</sup>, placing it in the top (worst) quartile nationally. The NHS trust has previously undertaken maintenance on a largely reactive basis but is now moving to a more planned approach to maintenance.
- The NHS trust is commissioned a survey which identified a high maintenance backlog with a cost of £85 million. This presents an infrastructure risk which the NHS trust acknowledges and is addressing the backlog through a programme of work.
- The NHS trust undertook to outsource all Soft Facilities Management services in 2015. Although prices now paid represent a saving from previous price levels they still benchmark higher than the national average. 2016/17 figures place Food Cost per Meal in the most expensive quartile nationally at £4.63 against a national average of £3.57 and Laundry cost per item is also in the most expensive national quartile at £0.44 compared to national median of £0.33 per item for the same data period.
- These prices are committed until November 2022. Despite these higher costs the NHS trust was judged to be lower than average by patients in the Patient-Led Assessments of the Care Environment (PLACE) scores for 2016/17. PLACE scores provide an indication of how well the environment supports the provision of clinical care. Cleanliness was judged to be 95.8% which is better than the national benchmark of 99.1% and food at 85% was also better than the national benchmark of 90.3%.

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

The NHS trust has a strong cash position and consistently manages spend within available resources to deliver its control totals. The NHS trust however is trading with an underlying deficit position and relies on STF, PSF and non-recurrent revenue funding to deliver its reported surpluses.

- The NHS trust delivered its financial plan for 2017/18, reporting a surplus of £1.7 million excluding STF (0.5% of turnover). The NHS trust's reported surplus including STF, at £15.1 million was more than plan of £10.1 million. The NHS trust was able to deliver the reported surplus with the benefit of non-recurrent revenue funding. The NHS trust has an underlying deficit position which for 2017/18 was £3.8 million (1.2% of turnover).
- For 2018/19 the NHS trust's plan which is compliant with control is £3.9 million surplus excluding PSF (1.1% of planned income) with a slightly improved underlying deficit position of £3.4 million (1% of planned income). The plan including PSF is £15.8 million. As at 30 June 2018, the NHS trust was delivering its plan despite experiencing higher than planned agency spend. The NHS trust is forecasting delivery of the £3.9 million surplus excluding PSF which it expects to deliver with the support of further non-recurrent revenue funding. The NHS trust is immaterially off track against its plan to achieve a surplus of £15.8 million including PSF.

- The NHS trust delivered all its planned CIPs of £12.9 million in 2017/18, all of which were recurrent savings. For 2018/19, the NHS trust has a CIP of £9.5 million (or 2.8% of its expenditure) and is currently forecasting to deliver against this plan but with a higher proportion of non-recurrent savings than originally planned.
- The NHS trust has substantial cash reserves and can consistently meet its financial obligations and pay its staff and suppliers, as reflected by its capital service and liquidity metrics. The NHS trust is not reliant on short-term loans to meet its financial obligations or to maintain its positive cash balance.
- The NHS trust makes good use of costing data and service line reporting across its service lines. This is used to generate financial reports for each specialty which are actively used to manage specialty and divisional financial performance.
- The NHS trust has not actively explored opportunities to maximise its income through potential commercial opportunities.

Although the NHS trust has recently commissioned support from external advisors and consultancies in relation to the planned merger with Bedford Hospital NHS trust, it are not routinely reliant on advice from external advisors or consultants.

## Areas for improvement

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

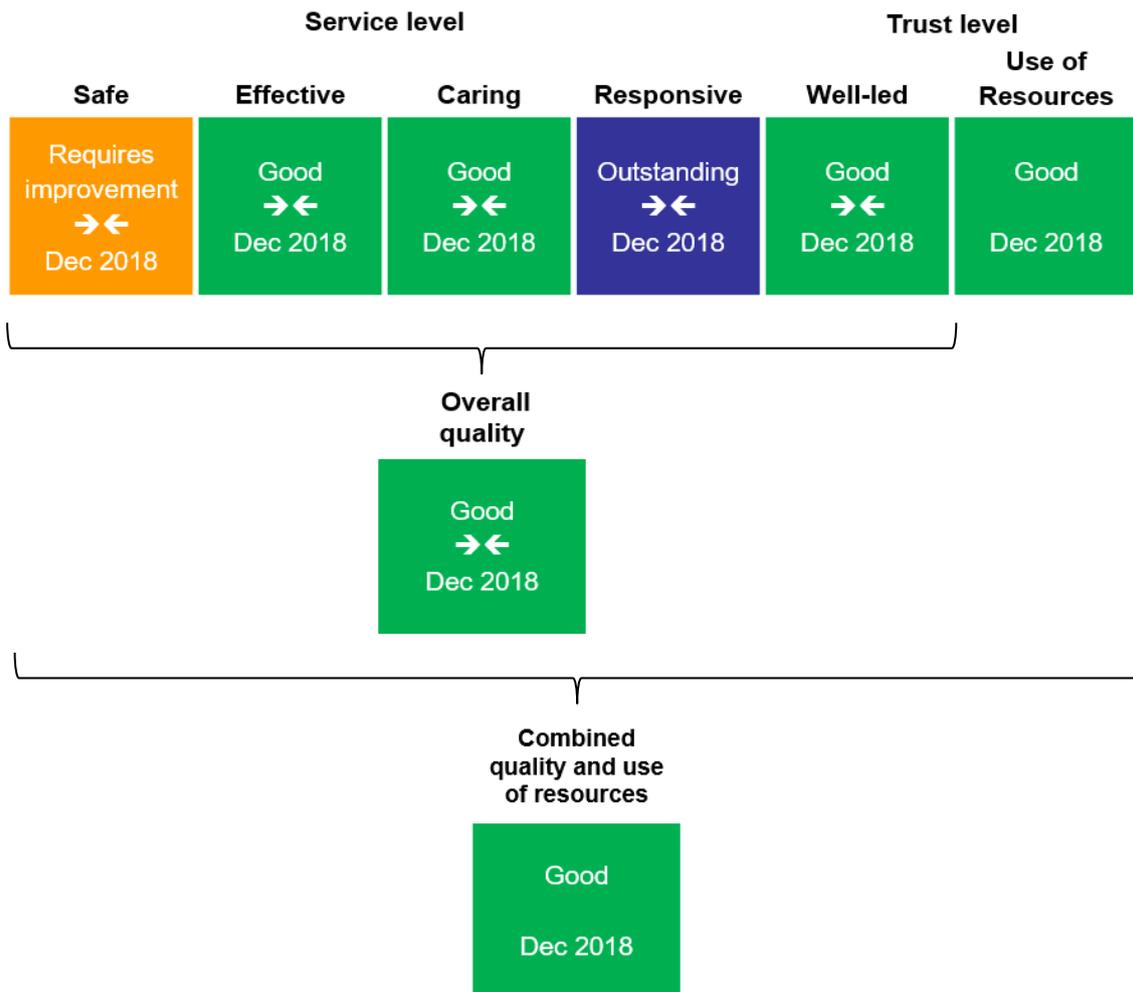
- Reducing readmissions and DNAs in clinics and imaging
- Further innovation in staff recruitment and retention strategies
- Expand the current base of alternative workforce models
- Reduction in agency expenditure
- Exploring and implementing commercial income earning initiatives.

# 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 (DTC)	A DTC 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.