Milton Keynes University Hospital NHS Foundation Trust

Use of Resources assessment report

Standing Way,
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Date of publication: 30 July 2019

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

Ratings

Overall quality rating for this trust	**Good** ●
Are services safe?	**Requires improvement** ●
Are services effective?	**Good** ●
Are services caring?	**Good** ●
Are services responsive?	**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/RD8/reports)

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

Combined rating for quality and use of resources	**Good** ●

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

Our combined rating for Quality and Use of Resources summarises the performance of the trust taking into account the quality of services as well as the trust's productivity and sustainability. This rating combines our

five trust-level quality ratings of safe, effective, caring, responsive and well-led with the Use of Resources rating.

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

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

- We rated effective, caring, responsive and well- led as good and safe as requires improvement.
- We rated seven of the trust services as good and one, which was surgery as requires improvement overall.
- We rated well led for the trust as good overall.
- During this inspection, we did not inspect critical care, outpatients diagnostic imaging, services for children and young people or end of life care. The ratings we published following the previous inspections are part of the overall rating awarded to the trust this time.
- The trust was rated requires improvement for use of resources. Full details of the assessment can be found on the following pages.

NHS Improvement

Milton Keynes University Hospital NHS Foundation Trust

Use of Resources assessment report

Standing Way,
Eaglestone,
Milton Keynes MK6 5LD
Tel: 01908 660033
www.mkuh.nhs.uk

Date of site visit:
12 March 2019

Date of NHS publication:
30 July 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 12 March 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.

Summary of findings

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

We rated Use of Resources as requires improvement because the trust is not consistently making best use of its resources to enable it to provide high quality, efficient and sustainable care for patients:

We rated use of resources as Requires Improvement. Clinical services productivity compares well and the NHS foundation trust's financial performance has improved from previous years. However it continues to operate with a significant recurrent deficit, and medical workforce costs and vacancy rates remain high. Other areas for improvement are noted further on in this summary .

- For 2017/18 the NHS foundation trust reported a deficit of £25.9 million before STF (11.4% of turnover) which was marginally better than its control total and an improvement on the previous year's deficit of £30.8 million (14.3% of turnover). For 2018/19, at the time of the assessment, the NHS foundation trust is on track to deliver the control total and trust plan of £25.1 million before PSF (10.91% of turnover) and £13.1 million deficit including PSF (5.7% of turnover)
- The NHS foundation trust has a track record of delivering most of its cost improvement (CIP) on a recurrent basis. The NHS foundation trust reported delivery of its £9 million (3.6% of expenditure) efficiency target in 2017/18, with 94.3% as recurrent. For 2018/19 the NHS foundation trust reported delivery of its £10.1 million target (3.81% of expenditure), with 85.6% as recurrent.
- The NHS foundation trust has been able to secure alternative (non-NHS) funding methods for estates developments and investments that are expected to improve productivity and generate additional revenues in the future. These include a £10 million local authority grant towards a new cancer ward, a private finance partnership to build retail units on the hospital site (expected to generate revenue streams in the future), an equity partnership with a software company to develop new technologies, and revenue funding arrangements for an integrated electronic patient record system. The NHS foundation trust would not have been able to make these investments with its current capital allocation.
- The NHS foundation trust has also partnered with University of Buckingham where it provides consultants and other clinical staff to support the education of medical students at the University. This generates additional revenue for the NHS foundation trust and it expects to benefit from locally trained medical staff in the medium term.
- Agency spend has reduced and is maintained below the ceiling set by NHS improvement, and the NHS foundation trust's relatively low sickness absence rates indicate effective sickness management.
- The NHS foundation trust is meeting the constitutional operational standards for Cancer and Diagnostics, and although its performance against the 18-week Referral to Treatment and 4-hr A&E is below standards, its performance has improved and is above the national median.
- Performance against clinical services productivity metrics compares well, Did not Attend (DNAs) rates in outpatients, Length of Stay and Pre-procedure days. The NHS

foundation trust also has a range of initiatives in place to ensure patients are directed to the right care setting to avoid unnecessary admissions, and it is working with other health and social care partners to improve patient flow and ensure continuity of care following discharge.

- Pharmacy and medicines costs compare well, with the NHS foundation trust benchmarking in the second lowest cost quartile. The NHS foundation trust has progressed well in delivering against the national top ten medicines programme, with a savings performance that is better than the national benchmark.
- The NHS foundation trust's outsourced arrangements for the MRI services are delivering expected performance for waiting times and facilitating capacity resilience to meet demand variations. This would not have been possible without additional capital investments in equipment.
- The NHS foundation trust is using technology to drive workforce and clinical services productivity improvements, for instance e-rostering for workforce deployment across most staff groups, electronic job planning for consultant workforce and applications for booking bank shifts. The NHS foundation trust also has an application which allows patients to amend their outpatient appointments and is implementing an integrated electronic patient record system expected to be completed in 2019. This includes electronic prescribing technology to support medicines optimisation.

However

- Due to its historical deficit position, the NHS foundation trust is reliant on revenue loans to meet its financial obligations and maintain a positive cash balance.
- The NHS foundation trust's overall cost per WAU at £3,569 remains above the national median of £3,486, which indicates that there is scope to reduce the cost of delivering activity.
- The NHS foundation trust's total pay cost per WAU at £2,367 is also above the national median of £2,180 and in the highest (worst) quartile nationally. This means that it spends more on staff per unit of activity than most NHS foundation trusts. Medical staffing costs are the main driver for this.
- Overall staff retention rates benchmark below (worse than) the national median and the NHS foundation trust's vacancy rates for Medical workforce remain high.
- There is scope for further productivity improvement in the other imaging modalities such as CT, plain film and non-obstetrics ultra sound, where there are high levels of reported missed appointments and outsourcing costs.
- The overall pathology cost per test indicates that the service costs are higher than peers. The NHS foundation trust agreed to join the South Four Pathology Network, however network discussions are at an early stage and most tests are delivered in-house at present.
- The NHS foundation trust still ranks low in the NHS Improvement procurement league table and needs to ensure a continued focus on improving its procurement processes. The NHS foundation trust is also in the highest cost quartile for the finance function, although it is recognised that cost reduction in this area is currently restricted by existing contractual arrangements.

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

The NHS foundation trust compares well across the clinical services productivity metrics and there is evidence of continuous improvement. It is meeting some of the constitutional operational standards, with improvements made in the others.

- The NHS foundation trust is meeting the constitutional operational performance standards for Cancer and Diagnostics. Although it is not meeting the standards for Accident & Emergency (A&E) and 18 Week Referral to Treatment, its performance has improved and is above national median. (RTT is 91.34% and A&E is 92.1%, against the standards of 92% and 95% respectively).
- The NHS foundation trust has initiatives in place to manage demand for A&E services and reduce unnecessary attendances. It is working with health and social care partners and criminal justice services, to ensure that patients are redirected to the right care setting, such as urgent care and mental health services. The NHS foundation trust also has an established Ambulatory Care Unit, operating with extended hours, which has contributed to better management of older and frail patients. The NHS foundation trust holds consultant Geriatric clinics in the community to maintain continuity of care for this cohort of patients.
- The NHS foundation trust is also working to ensure that emergency admissions are appropriate with initiatives such as having dedicated therapy staff to treat patients in A&E, without the need for an admission. There is also a Falls Co-ordinator role that refers Falls patients into Community Services from both A&E and the Ambulatory Unit for full assessment and follow-up care.
- National data shows that the NHS foundation trust's emergency readmission rate (30-day) is 11.36% for the period October to December 2018, which is above the national median and in the worst quartile nationally. The NHS foundation trust identified that its national data submissions on readmissions were not accurate (having been impacted by implementation of a new electronic patient care system), and it has provided information to demonstrate a lower readmission rate of 7.7% as at December 2018. The NHS foundation trust needs to ensure that future national data returns reflect the true position on 30-day readmissions.
- The NHS foundation trust's length of stay (LoS) compares well with an average of 2.5 days for elective admissions for the 6 months rolling period up to September 2018, and 9.3 days for emergency admissions for the same period. Both measures are in the best or second-best quartile nationally. Evidence provided by the NHS foundation trust also demonstrates a reduction in Delayed Transfers of Care (DTOCs) and the number of occupied bed days for super stranded patients.
- The NHS foundation trust has in place a dedicated LoS programme board which manages several patient flow initiatives such as criteria led discharge in elective surgery and medicines to take out (TTO) turnaround times. In early 2018, the NHS foundation trust established regular multi-agency discharge events to support prompter patient discharges. There is good engagement with Local Authority partners, with Social Workers based onsite and an NHS foundation trusted assessor model in operation. This has facilitated prompter discharge of patients who need further care outside the hospital.
- Fewer patients are coming into hospital unnecessarily prior to treatment compared to most other hospitals in England. The NHS foundation trust has a pre-procedure elective bed day position of 0.09 which is in the second-best quartile and better than the national median of 0.13. Their pre-procedure non-elective bed days score is in the best quartile nationally at 0.48, and better than the national median of 0.66. The NHS foundation trust

achieved this through several pathway improvements such as bringing back emergency patients for treatment as day cases and creating seven-day theatre capacity for trauma.

- The NHS foundation trust's Did Not Attend rate compares well at 5.5% for period July to September 2018 against the national median of 7.32%. This indicates better utilisation of outpatient services. The NHS foundation trust has achieved this through use of patient text and call reminder systems. The NHS foundation trust's use of innovative technology is also expected to bring about further improvements. This will entail the use of an app which allows patients to rebook suitable appointments and the NHS foundation trust can allocate any freed-up clinic slots to other patients.
- The NHS foundation trust has actively engaged in the Getting in Right First Time (GIRFT) programme, with the NHS foundation trust's Medical Director leading the work for the NHS foundation trust. There is a good knowledge and understanding of the GIRFT programme across the NHS foundation trust. The NHS foundation trust has established a Multi-Disciplinary Team to implement improvements recommended by GIRFT. Examples of improvements made include; increased Ophthalmology theatre throughput achieved by undertaking more cataract operations per theatre session and right sizing orthopaedic bed capacity to match demand.
- The NHS foundation trust's work on Obstetrics Governance earned them a refund against their clinical negligence premium payments of £ 0.3 million.

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

The NHS foundation trust has achieved a sustained reduction in agency spend and it compares well in areas such as sickness management and workforce deployment. However, workforce costs are high when compared with other non-specialist acute NHS foundation trusts, with medical workforce costs being the main contributor. The total pay cost per WAU is £2,367 which was above the national median of £2,180. The overall retention rate is low and vacancy levels for medical and nursing workforce remain high.

- For 2017/18 the NHS foundation trust had a total pay cost per WAU of £2,367 which was above the national median of £2,180, placing it in the highest (worst) quartile nationally. This means that it spends more on staff per unit of activity than most NHS foundation trusts. Medical staffing costs are the key contributor to this position. Nursing and AHP cost per WAU benchmark in the second lowest quartile.
- The medical staffing WAU at £691 benchmarks as the highest cost, when compared with other non-specialist acute NHS foundation trusts. The NHS foundation trust has identified reasons for the high cost as; direct engagement model for employment of agency medical staff', misallocation of capital costs in national data returns, variations in coding of activity, and additional costs associated with its partnership with Buckingham University Medical School.
- The NHS foundation trust provides consultant and other clinical staff to support the education of medical students at the University. The NHS foundation trust provided evidence to demonstrate a net financial benefit from this arrangement. It also cited other non-financial benefits such as recruitment and retention of medical staff
- However, after adjusting for the above factors, the medical costs remain above the national median and in highest cost quartile. Further analysis conducted by the NHS foundation trust shows that it has proportionately higher levels of Specialty and associate

specialist (SAS)doctors relative to doctors in training, and to peers in the region . The NHS trust's spend on SAS doctors comprises 34% of the medical workforce expenditure , compared to 13% on training doctors, and the regional average of 13%. The NHS foundation trust has taken a conscious decision to create these posts to address capacity shortfalls in the training doctor's workforce group, and to meet service requirements

- The NHS foundation trust provided examples of how it is working to control its medical workforce costs, for instance through more effective job planning to obtain value from the substantive workforce and use of non-medical staff in endoscopy and paediatrics to create capacity and resilience within its medical workforce. These are improvements we would expect to drive down medical costs, and the NHS foundation trust should extend the practices to other specialties to achieve further efficiencies.
- 88% of job plans have been completed within consultant contracts. To further improve effectiveness of the consultant deployment process, the NHS foundation trust is currently implementing an electronic job planning system and introducing a team job plan approach with a focus on optimising substantive staff. The NHS foundation trust also has some seasonal job plans in specialities such as paediatrics.
- The NHS foundation trust has achieved a sustained reduction in agency spend which is maintained below the ceiling set by NHS Improvement. As a percentage of overall pay costs, the agency spend reduced from 11.43% in 2016/17 to 7.19% in 2017/18. A further reduction is expected in 2018/19 to 6.12%. To achieve this, the NHS foundation trust has strengthened its controls on use of agency staff, is making use of the procurement services to negotiate better agency prices and has made progress in increasing the proportional use of bank staff to cover absences and vacancies. The NHS foundation trust has invested in its back-office capacity and technology to support these improvements. The NHS foundation trust has introduced a mobile device application, through which staff can book shifts on the bank.
- The NHS foundation trust uses e-rostering to deploy workforce for inpatients, outpatients, theatres and some administration areas. It has a dedicated team to support rollout and embedding of the process across the NHS foundation trust.
- Overall retention rates are 83.7% which is lower than the national average of 85.8% (December 2018). The overall vacancy rate at 11.6% is slightly above national average, however vacancy levels for medical staffing and nursing and midwifery, at 16.6% and 17.4% respectively, are significantly higher than national averages (11.2% and 6.7% in December 2018). The NHS foundation trust cited initiatives they have in place to improve staff retention and reduce vacancy levels for instance, to improve retention the NHS foundation trust is improving the onboarding process and extending the preceptorship period for newly qualified nurses, using more forward planning of rosters, and providing health and wellbeing services. To improve recruitment the NHS foundation trust is increasing reach of recruitment adverts using social media platforms and recruitment events and is actively recruiting temporary staff to permanent or fixed term contracts.
- At 3.92% for November 2018, overall sickness absence rates are better than the national median of 4.35%. The NHS foundation trust has strengthened its sickness management policy and has a range of programmes focusing on mental health and musculoskeletal interventions.

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

Pharmacy and medicines costs compare well, and the NHS foundation trust has achieved the nationally identified savings in the top ten medicines programme. The NHS foundation trust has

achieved demonstrable productivity improvements from its outsourced MRI services, however further work is required to reduce high levels of missed appointments and outsourced costs in other modalities. Pathology costs benchmark above most NHS foundation trusts, with services mainly delivered in-house, although there is some collaboration with neighbouring NHS foundation trusts for specific pathways.

- The NHS foundation trust's performance against the 6-week diagnostic standards has improved with imaging modalities such as CT, MRI and Non-Obstetric ultrasound having no patients waiting over 6 weeks as at December 2018.
- The NHS foundation trust's MRI service is outsourced to a private company, although consultants continue to be employed by the NHS foundation trust. This arrangement has allowed the NHS foundation trust access to a range of benefits including timely maintenance of equipment and resilience is service provision. The private company has other imaging centres in the locality which makes it possible to vary capacity levels in response to demand, contributing to better management of waiting times.
- The NHS foundation trust is reporting high DNA rates in all modalities except for MRI (March 2018). The NHS foundation trust cited the use of an appointment system for GP referrals (instead of direct access) as the key driver for this. The NHS foundation trust has introduced patient reminder systems to reduce the level of missed appointments and is reallocating the un-filled outpatient slots for the more expensive examinations such as CT, to inpatients.
- Although the NHS foundation trust has low vacancy levels across key staff groups in radiology, including consultant radiologists and radiographers, its outsourcing costs are higher than national median. The NHS foundation trust is addressing this through training of more reporting radiographers and implementation of home reporting infrastructure, to increase utilisation of existing workforce.
- The NHS foundation trust uses technology (PACS) to share images with neighbouring NHS organisations, which reduces the need for repeat scans and examinations.
- Pathology services are mostly delivered in-house, however there is some collaboration with other NHS foundation trusts in the South Four pathology network, for areas such cancer, where the work is redirected to a tertiary hospital. The NHS foundation trusts within this network are in early stages of scoping work required to implement a joint Laboratory Information Management system.
- The cost per test in pathology is higher than national median, which indicates a relatively high cost of delivering the service. The NHS foundation trust attributed some of this to the cost allocation methodology, with a higher proportion of overhead costs allocated to the service, however it also recognises the requirement to address the relatively high cost through operational improvements. Initiatives being taken to reduce costs include renegotiation of prices for outsourced services (tests) and review of internal pathology staffing models. The NHS foundation trust has also made available the cost per test information, in the system used by GPs to request tests, with the intention of raising awareness of costs and to reduce unnecessary demand.
- Other initiatives in place to improve productivity in pathology services include the use of the Point of Care testing in A&E, which has improved turnaround times and improved patient experience. This also supports early clinical decision making and contributes to improved patient flow.
- The pharmacy staff and medicines cost per WAU is below the national median and in the second lowest cost quartile, and as part of the top ten national medicines programme, the NHS foundation trust delivered more than its benchmark value in 2017/18(£1.23 million against a value of £1.02 million), with additional savings of £1.28 million reported in 2018/19. The NHS foundation trust has dedicated resources (pharmacists and

technician) to support switching process to best value biosimilars and has negotiated sharing of savings with commissioners for some of the drug switches.

- The NHS foundation trust is also reporting delivery of additional efficiencies of £0.2 million achieved through other initiatives, such as reducing medicines wastage and negotiating better prices.
- E-prescribing was implemented for adult inpatients in May 2018, and this has enabled the NHS foundation trust to control drugs use as per the formulary, reduce waiting times for medicines to take out (TTOs), and improve the monitoring and reporting of medicines.
- The NHS foundation trust is working to drive other improvements in its pharmacy services (where opportunities exist), for instance it is training more prescribing pharmacists to improve medicines optimisation, using the e-prescribing and robot dispensing technology to reduce the high levels of stock holding, and is strengthening governance structures to address the high antibiotics consumption.

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

The NHS foundation trust has invested in technology to support productivity improvements and its non-pay costs compare well. However, there is opportunity to further improve non-pay costs through better procurement processes. The costs of running corporate services are variable, with some functions benchmarking higher than the median. The NHS foundation trust maintains its estate well, however the cost of the estate and facilities services is high, which the NHS foundation trust attributes in part to capital charges.

- The NHS foundation trust's non-pay costs per WAU at £1,202 is below the national median of 1,307 and supplies and services cost per WAU at £285 is also lower than the national median of £364.
- The NHS foundation trust ranks 90 out 133 on the procurement league table which indicates that there are opportunities to improve its procurement process efficiency and price performance. The NHS foundation trust has reviewed the structure of its procurement team and is undertaking the procurement accreditation process, which will improve their position within the league tables. A Clinical procurement nurse started in December 2018 and has supported the standardisation of clinical products and clinical engagement.
- The finance function cost at £0.8 million per £100 million of turnover (2017/18) benchmarks above the median and in the highest (worst) quartile nationally for non-specialist acute NHS foundation trusts. The NHS foundation trust recognises the high cost of their Finance function, however its ability to reduce cost is constrained by the current outsourced contracts (for 40% of their sub functions). The NHS foundation trust intends to review costs when the contracts are renewed in December 2019. It has however re-tendered its counter fraud and internal audit service contract, reporting a cost reduction of £51,000 in 2018/19.
- The Human Resources function costs benchmark slightly above the median at £0.9 million per £100 million of turnover. This in part is due to the HR services to the medical school academic team, which are included in the NHS foundation trust HR function costs (gross of income). Initiatives undertaken to reduce costs of the HR function include the re-procurement of the payroll services, which generated a saving £76,000.
- IM&T function costs benchmark below the national median and in the best quartile nationally. IM&T capital expenditure plans demonstrate that the funding covers the expected replacement requirements including server, security and desktop upgrades.

- The NHS foundation trust is investing in the use of technology to deliver productivity improvements across its services. The NHS foundation trust is a fast follower to one of the Global Digital Exemplar trusts, and it is currently implementing an integrated and modern electronic patient record system that is expected to be completed by 2019. The NHS foundation trust is funding this through a revenue payment model. The NHS foundation trust is also on track to achieve a Level 7 certification by Health Information Management Systems Society (HIMM), which is the highest Level awarded for usage. The NHS foundation trust has entered into an equity partnership with a software developer to develop applications that would improve staff and patient engagement.
- Estates and Facilities cost per square metre at £373 benchmark above the national median of £325 and in the highest (worst) quartile. The NHS foundation trust attributes this in part to its allocation methodology for capital charges in national data submission, which will need to be reviewed. It is however undertaking initiatives to reduce the cost of running the estate and facilities, soft facilities management, business rates and equipment maintenance costs. The total efficiency delivered in 2018/19 was reported as £0.3 million, with a further £0.5 million planned for 2018/19
- The NHS foundation trust is undertaking developments of its estates to accommodate growth in service demand and activity levels, they include a short stay and cancer wards. The NHS foundation trust makes use of innovative and alternative funding opportunities to develop its estate, including local a government development fund and private finance partnerships.
- The NHS foundation trust has a low maintenance backlog, however critical infrastructure risk is higher than the benchmark value. This is being addressed on an ongoing basis, prioritising work to reduce disruption to operations.

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

The NHS foundation trust has consistently delivered its control totals and although it does not have cash reserves and is reliant on revenue loans, it uses innovative and alternative funding methods for investments to improve productivity and generate additional non-clinical revenue streams.

- In 2017/18, the NHS foundation trust reported a deficit of £25.9 million (excluding STF) against a control total and plan of £26.1 million deficit (£15.8 million deficit with STF against a plan of £18.8 million deficit). For 2018/19, the NHS foundation trust has a control total and plan of £25.2 million deficit (excluding PSF) and 13.1 million deficit including PSF, which it is on track to deliver..
- The NHS foundation trust has a cost improvement plan (CIP) for 2018/19 of £10.1 million (or 3.8% of its expenditure) and is currently forecasting full delivery. The NHS foundation trust delivered £9 million savings against a plan of £10.5 million (86%) in the previous financial year, of which 94% was recurrent.
- Due to the historical deficit position, the NHS foundation trust does not have cash reserves and is reliant on revenue support loans to consistently meet its financial obligations and maintain positive cash balances.
- The NHS foundation trust is partnering with private organisations to implement non-clinical income generating investments, for instance: investment in retail units on the hospital site through a private partnership, working with software developers to develop applications that will support healthcare operations and service opportuntiies with a neighbouring healthcare trust.. The NHS foundation trust has also secured a £10 million

grant from the local authority towards its estate's development. The current bed stock limits the NHS foundation trust's ability to generate private patient income opportunities.

- The NHS foundation trust has developed Service Line Reporting (SLR) and is using the information to support discussions relating to collaboration in clinical service delivery with neighbouring NHS foundation trusts.
- The NHS foundation trust expenditure on management consultants is minimal (0.03% of operating expenditure for 2018/19). It has focused on developing and using internal service transformation capability to deliver key efficiency programmes and support divisions where needed. Modest use of external support has been commissioned in 2018/19 to support the medical school contract agreement.

Outstanding practice

- The NHS foundation trust is using innovative funding methods to support its estates and technology developments, and its working with private partners to secure non- clinical income generating opportunities. The investments and opportunities include
    - A £10 million grant from the local Authority towards building a new cancer ward
    - A revenue funding model for an integrated electronic patient record system, which includes an e-prescribing model
    - Investment in retail units on the hospital site
    - Equity investments partnership with a private software company to develop new technologies relevant to healthcare operations.

The NHS foundation trust has a partnership with University of Buckingham, a private university, where it provides academic staff (consultants and other clinical staff) to support the education of medical students at the University. This generates additional revenue, and the NHS foundation trust expects to benefit from locally trained medical staff in the medium term.

Areas for improvement

- The NHS foundation trust should conduct a robust review of national data returns such as readmissions data and estates and facilities cost data, to ensure that they are accurate, and reliable for benchmarking purposes.
- A continued focus is required to reduce the high vacancy rates in medical and nursing workforce.
- The NHS foundation trust should continue working to improve medical staffing productivity and reduce the medical costs of delivering activity.
- The NHS foundation trust should continue working to reduce its underlying deficit position.
- The NHS foundation trust should continue exploring opportunities for collaboration in its support services.

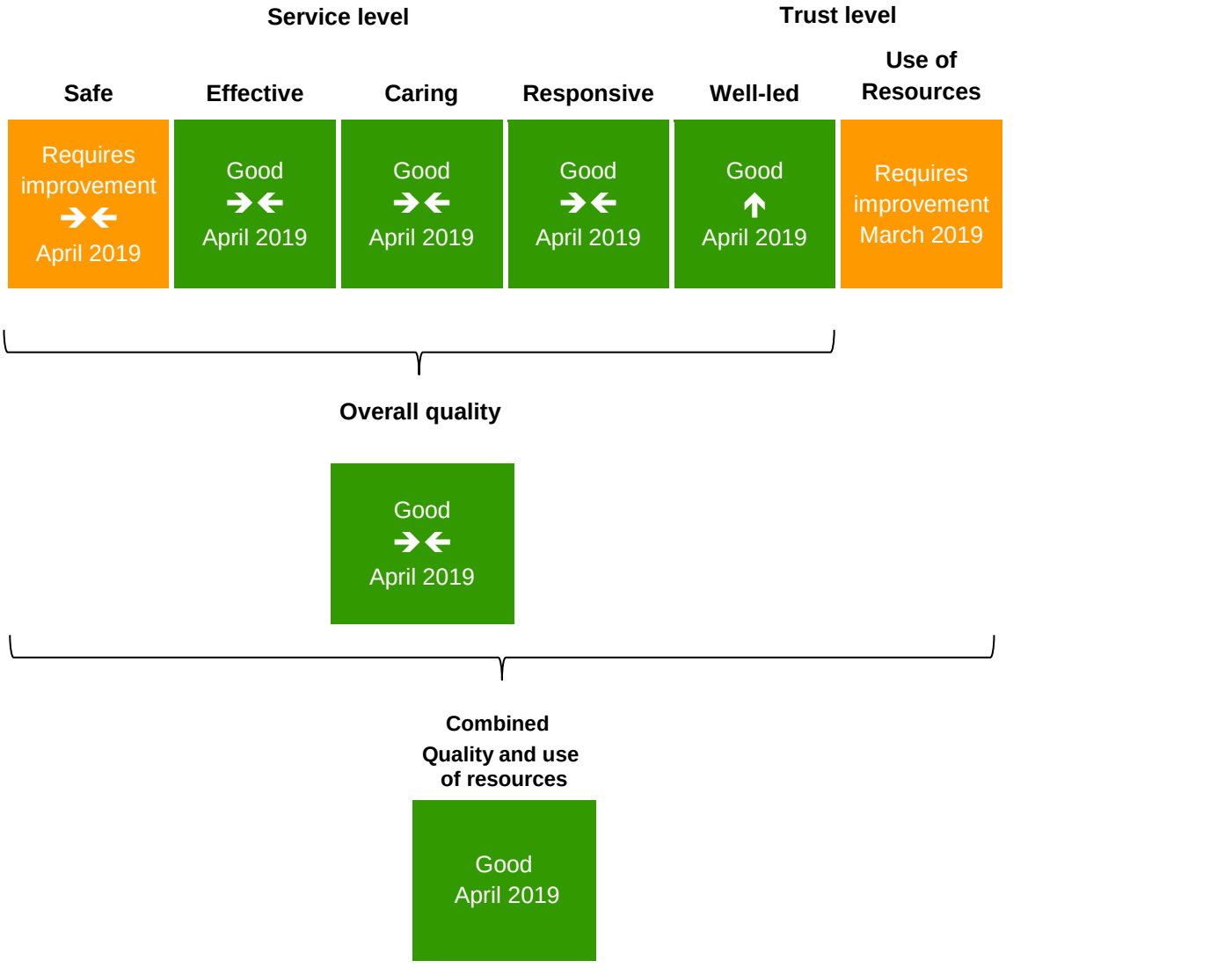
Ratings tables

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

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

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

Ratings for the whole trust



Use of Resources report glossary

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

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

cost per £100 million turnover	
Income and expenditure (I&E) margin	This metric measures the degree to which an organisation is operating at a surplus or deficit. Operating at a sustained deficit indicates that a provider may not be financially viable or sustainable.
Key line of enquiry (KLOE)	KLOEs are high-level questions around which the Use of Resources assessment framework is based and the lens through which trust performance on Use of Resources should be seen.
Liquidity (days)	This metric measures the days of operating costs held in cash or cash equivalent forms. This reflects the provider's ability to pay staff and suppliers in the immediate term. Providers should maintain a positive number of days of liquidity.
Model Hospital	The Model Hospital is a digital tool designed to help NHS providers improve their productivity and efficiency. It gives trusts information on key performance metrics, from board to ward, advises them on the most efficient allocation of resources and allows them to measure performance against one another using data, benchmarks and good practice to identify what good looks like.
Non-pay cost per WAU	This metric shows the non-staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less per standardised unit of activity than other trusts. This allows trusts to investigate why their non-pay spend is higher or lower than national peers.
Nurses cost per WAU	This is a nurse specific version of the pay cost per WAU metric. This allows trusts to query why their nurse pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Overall cost per test	The cost per test is the average cost of undertaking one pathology test across all disciplines, taking into account all pay and non-pay cost items. Low value is preferable to a high value but the mix of tests across disciplines and the specialist nature of work undertaken should be considered. This should be done by selecting the appropriate peer group ('Pathology') on the Model Hospital. Other metrics to consider are discipline level cost per test.
Pay cost per WAU	This metric shows the staff element of trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the trust spends less on staff per standardised unit of activity than other trusts. This allows trusts to investigate why their pay is higher or lower than national peers.
Peer group	Peer group is defined by the trust's size according to spend for benchmarking purposes.
Private Finance Initiative (PFI)	PFI is a procurement method which uses private sector investment in order to deliver infrastructure and/or services for the public sector.
Patient-level costs	Patient-level costs are calculated by tracing resources actually used by a patient and associated costs

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