North West Anglia NHS Foundation Trust

Use of Resources assessment report

Peterborough City Hospital
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Date of publication: 20 Dec 2019

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

Ratings

Overall quality rating for this NHS 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?	**Requires improvement**

Our overall quality rating combines our five NHS 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 NHS trust and in the related evidence appendix. (See www.cqc.org.uk/provider/RGN/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 NHS trust taking into account the quality of services as well as the NHS trust's productivity and sustainability. This rating combines our five NHS 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 NHS trusts for their Use of Resources assessments.

The aim of the assessment is to improve understanding of how productively NHS trusts are using their resources to provide high quality and sustainable care for patients. The assessment includes an analysis of NHS 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 NHS trust.

Combined rating for Quality and Use of Resources

Our combined rating for Quality and Use of Resources is awarded by combining our five NHS 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 NHS trust. The combined rating for Quality and Use of Resources for this NHS trust was requires improvement, because:

- We rated safe, effective, responsive and well led as requires improvement and caring as good.
- We took into account the current ratings of the eight core services across the three locations that we did not inspect this time.
- We rated five services across the trust as requires improvement.
- We rated eight core services as good.
- The overall ratings for one of the locations at the trust went down from good to requires improvement.
- The trust was rated as requires improvement for use of resources.

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Date of site visit:
2 August 2019

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

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

How effectively is the trust using its resources?	**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 England and 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 2nd August 2019 and met the trust's executive team (including the chief executive), a non-executive director (in this case, the chair and chair of finance committee) and relevant senior management responsible for the areas under this assessment's KLOEs.

Findings

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

We rated the use of resources for this NHS trust as Requires Improvement. The NHS Trust's reliance on external financial support and its inability to deliver on its CIP schemes in 2018/19 have made a significant contribution to the overall rating. The NHS Trust has undertaken a substantial amount of work since its merger with the Hinchingbrooke Hospital to improve productivity and to align systems across all hospital sites. A considerable number of these alignments are large pieces of work which will further improve productivity in time, most recently of note was the roll out of a new single Patient Administration System (PAS) across all sites. There remains pressure on services with increased growth in demand across all services due to Lincolnshire patient movement to this NHS trust. This assessment is based upon evidence available for the previous year and not expected improvements as a result of actions taken.

- The NHS trust's financial position deteriorated in 2018/19, reporting a deficit of £61.3 million (excel PSF), 14.4% of turnover. The main contributors were shortfall in CIP and additional costs associated with non-elective capacity issues.
- For 2019/20 the trust has agreed its control total of £35.3 million (before PSF) at the time of the visit the trust could demonstrate that it was achieving its plan and had CIP schemes to meet the target.
- The trust is reliant on external loans to meet its financial obligations and deliver its services.
- At the time of the merger Peterborough and Stamford Hospitals Foundation Trust had an improving financial position, whilst still in deficit, and Hinchingbrooke Healthcare NHS Trust with a deteriorating position also in deficit. Despite this the newly formed Trust was able to demonstrate an improvement in the financial position, which is notable considering the investments also need to align systems and processes for the new organisation.
- The cost per WAU (weighted activity unit) at this NHS Trust is £3,581 for the 2017/18 financial year compared with a national median of £3,486. This is evident through a higher than national median nursing and medical cost per WAU (pay cost per WAU £2,209 compared to national £2,180), with the non-pay element of the WAU also higher than national average (£1,373 compared to £1,307) the non-pay cost per WAU has reduced (improved) since the last inspection.
- The trust spends more on pay and other goods and services per weighted unit of activity than most other trusts nationally. 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.

- The trust was able to demonstrate that it was working well with surrounding health economy partners to reduce costs in areas such as agency staffing and procurement.
- Work has been undertaken with STP partners including primary, community and other acute providers to reduce Delayed Transfers of Care (DTOC) the trust was able to demonstrate some improvement however this was inconsistent across the whole trust with only 6 months of improvement data available to consider.
- Individual areas where the trust's productivity compared particularly well included the DNA rates which, following pro-active work by the trust, is now below national average, in addition the trust's pre-procedure bed days for elective care were much lower than the national average demonstrating the trust was better than the national average. The trust described work undertaken by the procurement and clinical teams to reduce the orthopaedic prosthesis range as recommended by GIRFT which showed exceptional performance on delivering a narrower range and a significant cost saving.

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

The trust has shown improvements in service areas following the merger of previous trusts. This has improved the stability of the clinical services with improvements in some performance targets demonstrated either across the trust or on particular hospital sites, this is encouraging as it demonstrates that actions taken by the NHS Trust are having a positive impact. At the time of assessment, the trust was not meeting all its performance targets.

- At the time of the assessment and based on published data the trust was not meeting its constitutional operational targets. Referral to Treatment (RTT) was 85.12% v target of 92%, ED was 76.68% v 95% target and cancer was 77.99% v 85% target.
- The trust has undertaken a significant number of initiatives with its health economy partners to improve its ED position including models to avoid GP patients attending ED department, the introduction of new lead ED Nurses, an increase in bed stock, unplanned care action plans are in place and working closely with the Ambulance Trust (HALOs). The trust was able to provide evidence of improvements in performance on the Hinchingbrooke site.
- Patients are slightly more likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 7.94%, emergency readmission rates are slightly above the national median as at quarter 4 2018/19.
- For non-elective care, patients are coming into hospital and wait longer prior to treatment compared to most other hospitals in England. However, they are performing significantly better for elective care.
    - On pre-procedure elective bed days, at 0.04, the trust is performing in the lowest (best) quartile below the median when compared nationally – the national median is 0.12.
    - On pre-procedure non-elective bed days, at 1.0, the trust is performing highest (worst) quartile above the median when compared nationally – the national median is 0.66. The drivers for this increased rate were identified as the fractured neck of femur, the trust is undertaking work that may reduce this.
- The Did Not Attend (DNA) rate for the trust is low at 6.13% for Q4 2018/19. This is a significantly improved position over the previous year with the trust introducing actions

including telephoning patients 4 days in advance and contacting patients who DNA to understand why.

- The trust reports a delayed transfers of care (DTOC) rate that is higher than average and higher than the trust's own target rate. DTOC rates have been improving on the Peterborough Hospital site from January to August 2019 inclusive, however the performance on the Hinchingbrooke Hospital site remains poor and performance levels are variable, this raises the overall DTOC rate for the trust. However, the NHS trust has been working with the STP to reduce DTOC rates as a system with additional measures put in place for which the impact could not be assessed at the time of the visit.

- The Trust is working with system partners to mitigate the non-elective demand through the Northern Alliance admission avoidance workstream. With system partners, some of the primary care processes have been re-designed. This includes, monthly round table meetings, alternative streaming models and GP streaming options at the hospital front door.

- The trust's 30-day re-admission rate is 7.94% compared with a peer median of 7.66%, this is an improved position over the monitoring period and the Trust has been focussing on areas where re-admissions rates are higher, e.g. General Medical. The Trust is also working with community partners to improve Respiratory and Diabetes pathways having identified them as some of the highest cause of re-admission.

- There remain some issues with carers and gaps in delivery for patients on discharge from hospital therefore the trust has facilitated the British Red Cross coming to the hospital site 7 days a week at Hinchingbrooke Hospital in addition to the Peterborough Hospital helping to manage the gap between leaving hospital and the care package starting for both inpatients and A&E patients this has demonstrated earlier supported discharges and avoided admissions from A&E.

- There are variations across day case rates with a significant variation for Breast surgery (46.3% v 62.7%), vascular (72.1% v 82.2%) and paediatric (68.5% v 88.1%) when considered against the national median. The trust is developing day case hysterectomy as innovative practice, trialling at Hinchingbrooke Hospital, but could not provide evidence of actions which would deliver improvements on the areas where they remain an outlier.

- The NHS Trust has a green engagement rating with the GIRFT initiative supported by the GIRFT project board and a co-ordinator from GIRFT allocated to the Trust. Each specialty has top 5 actions to be reviewed at Board level. The Trust is to be commended on the reduction of the Prosthesis range, making significant financial savings.

- The Trust demonstrated examples of progress of the merger which has had benefits to the local population and patients. Examples include; shared on-call rotas across all sites, staffing shortages in Rheumatology/Dermatology have been addressed Trust-wide with a new substantive Trust-wide team and single on-call across all sites. Consultant recruitment is eased due to the whole-Trust attractiveness. There are improvements in ED at Hinchingbrooke Hospital with clinical benefits due to re-profiling and recruitment to staff making it a more attractive place to work.

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

The trust has undertaken a significant amount of work to understand its workforce issues, reviewing the staffing compliment required across its clinical areas for nursing, aligning rotas across all sites for medics, introducing new roles and undertaking a robust process for reducing cost per hour of agency and locum rates. This is all commendable work which if maintained will show an improvement in the NHS trust's productivity in time through cost per WAU and agency metrics as well as the partner organisations the trust is working with to maintain market pressure.

- For 2017/18 the trust had an overall pay cost per WAU of £2,209, compared with a national median of £2,180, placing it in the second highest cost quartile nationally. This means that it spends more on staff per unit of activity than most trusts.

  Nursing and midwifery staff cost per WAU for 2017/18 is £731 compared to a national median of £710 putting it in the second highest quartile for nursing. The trust is in the second lowest quartile for AHP and the second highest for medical staffing cost per WAU.

- The trust recognises the challenge to pay costs due to staffing a smaller site and has undertaken a full review of nursing establishments to assure themselves that they have the appropriate staffing levels, which has resulted in a movement of staff. They have also established a process of moving staff per shift according to acuity and dependency to maintain safety across the trust. Triangulation of pay costs versus establishment was both described and evidenced by the trust, which has assisted quarter 1 nursing staffing costs to be within established budget levels.

- They have several new ways of working and staff development including introducing 80 Nursing Associates (currently in training), Physician Assistants, Well-being and Safety apprentices on the wards, Paramedics in the Emergency Department (ED), Advanced Care Practitioners (ACPs) as part of the ED middle grade rota as well as Emergency Nurse Practitioner (ENP). The trust were able to supply a description of a few such roles, which included a description of the workload undertaken by the role.

- Job planning sign off is currently at 56% which is lower than previous year. However, a 3-tier job planning process has been introduced with the aim of ensuring equality and equity across the trust and reduce pay costs, the NHS trust gave this as the reason why job plan sign off has been slower to improve quality.

- The trust describes significant work around budgets and establishments to enable greater visibility of costs, which has included removing ghost posts from establishments that had no funding stream.

- The trust exceeded its agency ceiling as set by NHS England and NHS Improvement for 2018/19 by £0.7million, however the trust described numerous workstreams they have introduced to reduce agency costs.

  They have introduced a process for signing off agency costs for nursing that has recently been devolved to divisional level and a clinical star chamber review for medical staff which reviews the number of hours requested.

- E-rostering of shifts has been established in the NHS trust, however it was accepted that further work is required to embed the system. There is a 6 week notice of shifts to enable the trust staffing bank to fill vacant shifts. The trust does undertake a 'best value' assessment of shifts which identifies if bank or agency would be cheaper to meet requirements.

- The trust has reduced the agency cost across nursing and medicine by reducing the pay rates incrementally. For example, ST3+ doctors capped rate has reduced from £95 in April 2018 to £80.00 in March 2019, with an actual average hourly pay rate of £83.82 to £76.89. The bank pay rates are being reduced incrementally which they have worked closely as an East of England region to agree and analyse agency rates so that they can be reduced and standardised. Demonstration of the effective implementation of this work was supplied through data showing agency spend had reduced from 9.48% of pay in July 2018 to 5.41% in June 2019. Long term bank and agency staff have been converted to substantive contracts where possible, and to date 40 doctors have converted.

- Work undertaken following the merger has had a significant impact in some areas. For example, the emergency department at Hinchingbrooke Hospital initially had a high vacancy rate in the consultant team, but they now have 5.6WTE substantive consultants in post.

- E-rostering is in place for both nursing and junior doctor rotas, with an 18-month plan in place for AHPs and consultants to move onto e-rostering to co-incide with other HR schemes to improve engagement. KPIs have been implemented and are monitored for compliance. The Trust is working closely with STP partners, particularly Cambridge University Hospitals, towards an STP e-rostering policy and KPIs.

- Staff retention at the trust is only just below the national average at 85.4% against the national average of 85.6% as of December 2018 and vacancy rates are also favourable at 9.3%. To help improve this the trust have introduced several initiatives i.e. executive coffee and chats, careers clinics for nurses and huddles prior to home time, as well as taking part in the NHS Improvement (NHSI) retention initiative improving nurse retention by 1.5% and adding stability to the Board agenda.

- At 4.26% in November 2018, staff sickness rates are better than the national average of 4.35%, which the trust connects to work with their occupational health services, support for managers to support staff, and initiatives including mental health first aiders.

- The trust introduced TRAC in November 2018, which enables them to monitor time to hire against recognised KPIs. The trust recognise that more work is required and that recruitment from overseas is having a negative effect on the average time to hire due to the extended processes required.

- They are actively recruiting from overseas, through fellowship programmes and working with Cambridge University Hospital on dual recruitment. Additionally, they are currently discussing international recruitment and exchange programmes with Trinidad and Tobago, as well as working as an STP on a recruitment and attraction programme for the East of England.

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

The NHS trust's clinical support services benchmark alongside the national median in most areas, however further productivity gains can be achieved through further work on networks. The trust has yet to deliver 7-day pharmacy services which it has been increasing service coverage incrementally prior to attempting full 7-day service levels.

- The overall pathology cost per test at the trust benchmarks at the national median this compares the trust to other non-networked pathology services, evidence suggests the trust could save further on cost per test when compared with fully networked pathology services.
- The trust is in discussions with their NHSI t allocated network and is expected to sign off a Memorandum of Understanding to progress this work further.
- In order to reduce locums and fill vacancies the trust has introduced skill mix changes with developing consultant scientists, apprenticeships, dual trained staff for blood transfusion and blood sciences. This has resulted in the service being locum free which is unusual in the current national staffing profile in England.
- The trust's medicines cost per WAU is average when compared nationally. As part of the Top Ten Medicines programme, it is making good progress in delivering on nationally identified savings opportunities, achieving 264% of the savings target against a national median of 100%. There are significant savings to be achieved by delivering the price reduction identified for adalimumab.
- The trust has put additional focus on increasing the clinical activity of pharmacists within the trust which has increased to 80% over the last 12 months. However, they are yet to deliver a clinical pharmacist service across all 7 days. Initiatives at the Peterborough and Stamford sites have increased the percentage of patients receiving medicines within 24 hours above 80% consistently.
- The trust has worked with its STP partners to develop an STP wide formulary and has identified further cost savings in 2019/20.
- The imaging services have undertaken a small-scale trial of home reporting which has demonstrated savings compared with outsourcing to a private provider and expects to roll this out further throughout the year.
- Diagnostics has been raised as a considerable factor for the trust to deliver its cancer performance with additional investment in MRI and CT agreed. Endoscopy activity has grown significantly and the trust is working with other health care providers with appropriate facilities to improve turnaround times.
- The trust has introduced some technology based efficiencies such as E-Track, an inhouse system which supports clinician productivity providing a single location to access all patient documents including letters, diagnostic test reports and the current status of any patient episode. In addition, they have implemented an 'e-cons' system which supports internal requests for consultant review which has facilitated same day opinions from consultants internally. The trust has invested in imaging equipment which can support remote control set up reducing patient to patient turnaround times.

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

The cost of running the trust estate is high due to PFI arrangements. However, consideration of other elements associated with corporate services has shown that the trust has opportunities to become more productive when considered against the national median. This was shown through the data available for Finance and HR services as well as areas such as laundry and waste. The trust was able to supply data which demonstrated an improved position against those published for the financial year 2017/18.

- For 2017/18 the trust had an overall non-pay cost per WAU of £1,373, compared with a national median of £1,307, placing it in the second highest cost quartile nationally. This

represents an improvement on last year. Against the national median and best peers there is further potential to reduce non pay cost per WAU.

- The cost of running its Finance and Human Resources departments are higher than the national average however the trust has undertaken significant work to consolidate services following the merger and have provided evidence that the latest costs are significantly lower than currently published. This evidence of delivery represents a remarkable efficiency gain for which the trust should be commended.
- The trust is progressing with the roll out of manager self-serve and has already established employee self-serve. The trust has taken a phased approach to rolling out electronic expenses in line with its e-rostering programme. The trust has already outsourced its payroll provision.
- The trust's procurement processes are relatively efficient and tend to successfully drive down costs on the things it buys. This is reflected in the trust's Procurement Process Efficiency and Price Performance Score of 68, which placed it in the second highest (good) quartile when compared with a national average of 66. The trust is also in the second lowest quartile metrics for the percentage variance for top 100 products, however, 2.57% variance from median price and 11.89% variance from minimum price suggest that the trust could achieve further cost savings through its procurement operations.
- The trust procurement department has developed a just in time store to reduce the overall footprint of the stores department. Additionally, the trust was awarded Level 1 procurement status in June 2019.
- The trust provided evidence of significant clinical engagement between procurement and the orthopaedic services delivering a much-reduced prosthesis range which has supported a new supplies contract with significant savings. Despite this they are still collaborating with STP partners to understand if there are further savings to be achieved through joint procurement initiatives.
- At £515 per square metre in 2017/18, the trust's estates and facilities costs benchmark significantly above the national average. When considered against activity levels this remains high at £715 compared to a peer cost of £405. The trust has had a. number of external audits of their PFI costs which demonstrated that this is one of the primary drivers of the underlying deficit. Within the services element of their estates costs the trust have a higher than national average cost for laundry and waste, with the trust using more laundry items per hospital episode than the national average. The trust has reviewed both the laundry and cleaning productivity and have saving schemes in 2019/20 to reduce these costs.
- The backlog maintenance at the trust is below the national median at £169/m^2 compared with the national median of £186/m^2 however this is a worsened position since the last inspection.
- The trust identified opportunity to reduce catering costs on the Hinchingbrooke Hospital site and has worked with staff, patients and external organisations to ensure a high-quality lower cost provision could be delivered. Feedback from patients and staff has been favourable despite reduction in cost.
- From 2017/18 data the trust's area used by non-clinical space was higher than the national average at 40% compared to 32.4%, however since this data was collected the trust have opened an additional 42 beds into existing estate alongside moving their estates team to release clinical space.

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

The NHS Foundation Trust failed to deliver its control total for 2018/19 by £15 million, primarily due to a shortfall in CIP delivery alongside additional costs resulting from unplanned demand and winter capacity requirements. The NHS Foundation Trust has agreed its control total for 2019/20 and is currently forecasting delivery of its plan. At July 2019 the NHS Foundation Trust is reporting in line with its plan.

- For 2018/19, the NHS Foundation trust did not meet its control total of £46.5 million deficit (excl. PSF) and £29.3 million deficit (incl. PSF). The NHS Foundation Trust reported a higher deficit of £61.3 million (excl. PSF), representing 14.4% of turnover, and £49.5 million (incl. PSF). The adverse position was mainly due to a shortfall in CIP delivery and additional costs driven by non-elective demand and actions taken to maintain capacity, safety and flow.

- The NHS Foundation Trust has agreed its control total for 2019/20 for a deficit plan of £35.3 million (excl. PSF/FRF/MRET). As at July 2019, the NHS Foundation Trust's year to date position was a deficit of £18.9 million against a plan of £19.1 million deficit, with a forecast outturn of £35.3 million deficits (7.5% of turnover). The NHS Foundation Trust has put in place a detailed escalation process to enhance its budgetary control and to support the delivery of the financial plan. At the time of this assessment there is limited evidence of the impact of the process, but there has been an improvement seen in the level of overspend for a division currently in escalation. The process appears to be strong and should support the Trust in delivering its improving trajectory going forward.

- In 2018/19, the NHS Foundation Trust delivered just £6.4m of its £16.4 million CIP target. In previous years the NHS Foundation Trust has been able to consistently deliver its CIP through income generation, but the move to a Guaranteed Income Contract (GIC) in 2018/19 meant that this approach was no longer possible. Given this, the CIP was based predominately on pay savings which the NHS Foundation Trust was unable to deliver as demand levels required additional beds and associated temporary staffing costs.

- For 2019/20, the NHS Foundation Trust's CIP is aiming to deliver efficiencies of £18.1 million (3.4% of operating expenditure) and, as at July 2019, the NHS Foundation Trust was reporting full delivery against its year to date plan. The Foundation Trust has demonstrated that there are schemes identified to the full value of the 2019/20 CIP requirement and confirmed that the arrangements for the delivery of the plan have been strengthened from those in 2018/19. The Director of Finance is now responsible for the delivery of the CIP with the escalation process being through the Finance Committee. The trust has demonstrated that the Finance Committee receives a detailed CIP report on a monthly basis to provide oversight.
- Due to its historical deficit position, the NHS Foundation Trust is not able to meet its financial obligations or maintain its positive cash balance without additional cash support. The cumulative working capital/revenue support loans balance at July 2019 was reported as £201.1 million. The NHS Foundation Trust is also reliant on capital loans and capital is currently being spent at risk against an emergency capital loan requirement of £24.2 million.
- The NHS Foundation Trust has historically had success when looking to maximise income opportunities and has used this to support delivery of its CIP in previous years. However, from 2018/19, the NHS Foundation Trust has negotiated a GIC with local commissioners to collectively incentivise a focus on management of activity levels. In

2019/20, the biggest variable contract held by the Trust is circa £20 million with NHS England. As at July 2019 total income is £0.7 million ahead of plan.

- The NHS Foundation Trust does not have a large spend on management consultancy and has not incurred any significant consultancy costs in recent years. As at July 2019 consultancy spend is identified as £0.1 million.
- The NHS Foundation Trust is using service line reporting to both support business decisions and to identify productivity opportunities. The NHS Foundation Trust has demonstrated that reporting identified better standardisation of prosthesis at Peterborough which yielded savings of £250,000 per annum when introduced at Hinchingbrooke.

Outstanding practice

- The work undertaken by the procurement department for orthopaedic prosthesis demonstrated an outstanding level of clinical engagement and work to reduce the range and deliver savings. This is a difficult piece of work which should be commended.

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS Trust should work to identify ways to improve theatre productivity and move patients to day case procedures in line with the British Association of Day Case Surgery.
- The higher than median pre-procedure bed days for non-elective bed days needs to be audited to ensure changes deliver the required impact.
- Staffing costs per WAU needs to be addressed particularly in relation to Medical and Nursing workforce ensuring actions taken do not drive up costs in other areas.
- Continued focus on Job Planning to ensure an improved sign off coverage across the trust.
- Roll out of e-rostering across other staff groups to be maintained ensuring the templates are managed to maintain or improve productivity.
- Continued focus on delivery of Pathology networks which could deliver significant productivity savings over time.

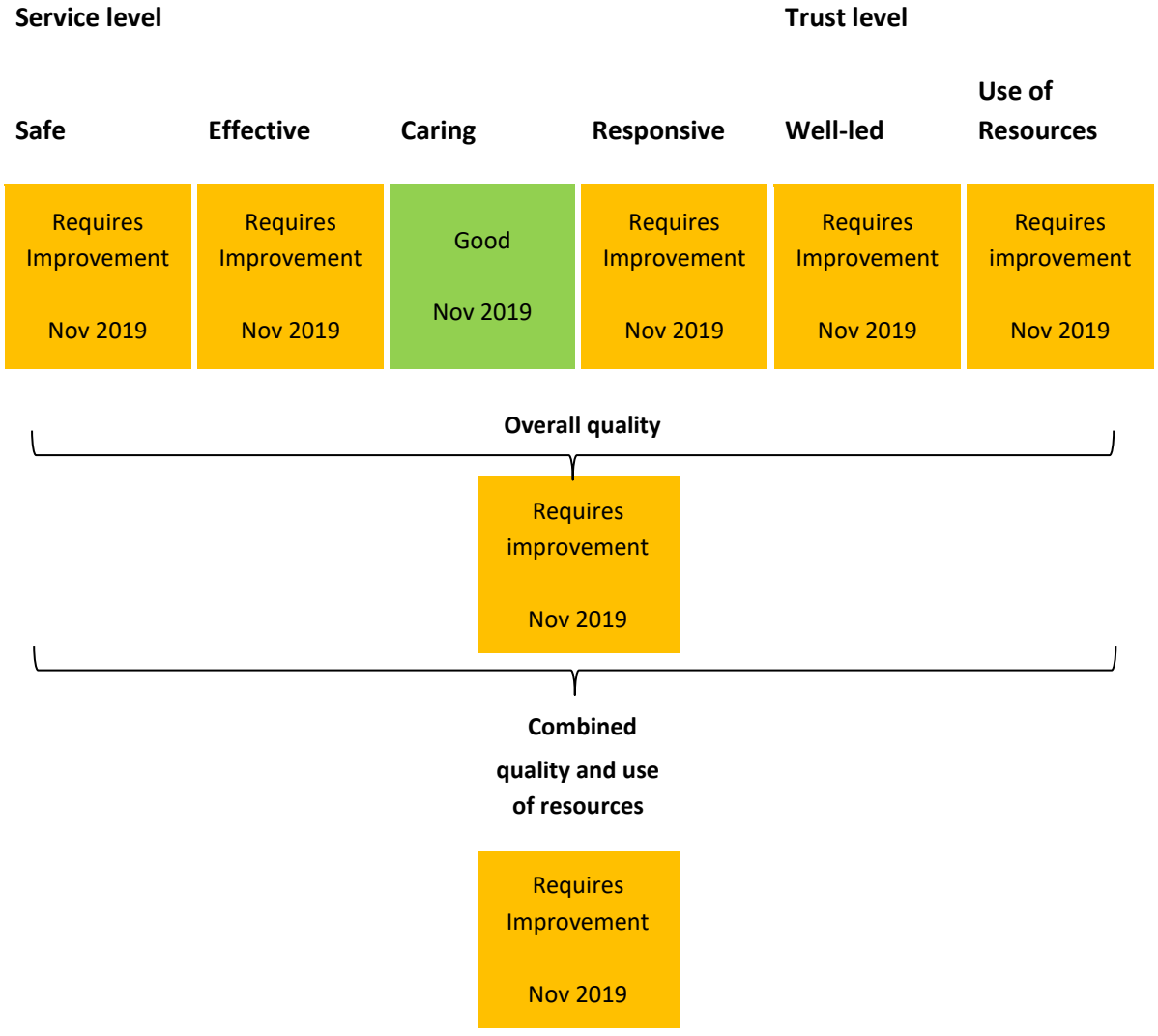
Ratings tables

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.
Single Oversight Framework (SOF)	The Single Oversight Framework (SOF) sets out how NHS England and NHS Improvement oversees NHS trusts and NHS foundation trusts, using a consistent approach. It helps NHS England and NHS Improvement to determine the type and level of support that trusts need to meet the requirements in the Framework.
Service line reporting (SLR)	SLR brings together the income generated by services and the costs associated with providing that service to patients for each operational unit. Management of service lines enables trusts to better understand the combined view of resources, costs and income, and hence profit and loss, by service line or speciality rather than at trust or directorate level.
Supporting Professional Activities (SPA)	Activities that underpin direct clinical care, such as training, medical education, continuing professional development, formal teaching, audit, job planning, appraisal, research, clinical management and local clinical governance activities.
Sustainability and Transformation Fund (STF)	The Sustainability and Transformation Fund provides funding to support and incentivise the sustainable provision of efficient, effective and economic NHS services based on financial and operational performance.
Staff retention rate	This metric considers the stability of the workforce. Some turnover in an organisation is acceptable and healthy, but a high level can have a negative impact on organisational performance (eg through loss of capacity, skills and knowledge). In most circumstances organisations should seek to reduce the percentage of leavers over time.
Top Ten Medicines	Top Ten Medicines, linked with the Medicines Value Programme, sets trusts specific monthly savings targets related to their choice of medicines. This includes the uptake of biosimilar medicines, the use of new generic medicines and choice of product for clinical reasons. These metrics report trusts' %

	achievement against these targets. Trusts can assess their success in pursuing these savings (relative to national peers).
Weighted activity unit (WAU)	The weighted activity unit is a measure of activity where one WAU is a unit of hospital activity equivalent to an average elective inpatient stay.