Sandwell and West Birmingham Hospital NHS Trust

Use of Resources assessment report

City Hospital
Dudley Road
Birmingham
West Midlands
B18 7QH
Tel: 01215543801
www.swbh.nhs.uk

Date of publication: 5 April 2019

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

Ratings

Overall quality rating for this trust	**Requires improvement** ●
Are services safe?	**Requires improvement** ●
Are services effective?	**Requires improvement** ●
Are services caring?	**Outstanding** ☆
Are services responsive?	**Requires improvement** ●
Are services well-led?	**Requires improvement** ●

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/RXK/reports)

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

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

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

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

- The Sandwell General Hospital and City Hospital were rated as requires improvement.
- In many services, safe was rated as requires improvement and in six services well – led was rated requires improvement.
- Well–led for services for children and young people was rated inadequate.
- The trust was rated Requires Improvement for use of resources. Full details of the assessment can be found on the following pages.

NHS Improvement

Sandwell and West Birmingham Hospital NHS Trust

Use of Resources assessment report

City Hospital
Dudley Road
Birmingham
West Midlands
B18 7QH
Tel: 01215543801
www.swbh.nhs.uk

Date of site visit:
30 August 2018

Date of NHS publication: 5 April 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 30 August 2018 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 it is not making the best use of its resources to provide high quality, efficient and substainable care for patients.

- For 2016/17, the NHS trust's cost per WAU at £3,638 places it in the top (worst) quartile nationally, meaning that it spends more per weighted unit of activity than most NHS trusts, and is therefore less productive at delivering services.
- This position is driven by high staff costs where all individual staff categories benchmark in the top (worst) quartile nationally. Dual site working, and high agency spend are key contributors to the NHS trust's high costs of service delivery. The NHS trust had plans to rationalise the estate and reconfigure services, but they were significantly delayed by factors beyond its control.
- For 2017/18, the NHS trust reported a position of £4.5 million surplus (excluding STF), which was better than the control total of £0.5 million deficit (excluding STF). This position benefited from a one-off transaction and other non-recurrent measures. The NHS trust has an underlying deficit of £26 million and continues to operate with a deficit position, with a control for 2018/19 being a deficit of £7.5 million (excluding STF).
- Key measures of workforce productivity such as sickness and staff retention rates also benchmark worse than national averages, and although the NHS trust has made some improvements in clinical service productivity, areas such as re-admission rates and Did Not Attend (DNA) rates continue to benchmark below national averages.
- The NHS trust has experienced specific challenges in delivering imaging services, with high vacancy and sickness rates impacting service delivery and contributing to the higher than national average running costs. This also has negatively impacted performance against the 6-week diagnostic target.
- The NHS trust has not optimised savings from the Top Ten Medicines initiatives and is also lagging in the implementation of e-prescribing nationally.
- Productivity in estates and facilities is negatively impacted by the high maintenance backlog and soft facilities management costs, which benchmark higher than national averages.

However

- The NHS trust delivered the 2017/18 CIP plan and has been able to meet its financial obligations without additional cash support. The NHS trust also achieved a 30% year on year reduction in agency spend.
- For 2016/17, the non-pay cost per WAU was £1,178, placing the NHS trust in the lowest quartile nationally. The costs of delivering pathology, pharmacy and non-clinical support services are below the national averages.
- Although the NHS trust has variable performance against constitutional operational standards, it has consistently met the 18 weeks RTT and 62-day Cancer targets.

- The NHS trust's engagement with the GIRFT programmes has delivered tangible benefits in Trauma and Orthopaedic (T&O) services, enabling them to reduce backlog and improve RTT performance. The NHS trust has also engaged with partners to deliver an effective discharge service and maintain a low Delayed Transfers of Care (DTOC) rate, meaning fewer patients remain in hospital unnecessarily.

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

The NHS trust has worked well with partners to put in place some joined-up care service models and has also engaged with the GIRFT programme to deliver operational improvements in some specialities. Performance against operational standards is variable and the NHS trust benchmarks worse than national averages in some of the clinical service areas.

- At the time of the assessment in August 2018, the NHS trust had variable performance against the constitutional operational performance standards. Whilst it has consistently met the 18 weeks RTT and 62-day Cancer targets, the NHS trust's performance was below the national standard for both A&E performance and 6-week diagnostic waits.
- In June 2018 the NHS trust recorded 92.5% (standard 92%) of patients waiting no more than 18 weeks from GP referral to treatment. In the same month, the NHS trust achieved 90.4% against a target of 85% from referral to treatment for cancer. The 6-week diagnostic performance of 98.96% was slightly below target of 99%. In July 2018 the A&E performance was 84.1% against the national standard of 95% of patients being treated within 4 hours.
- The NHS trust has reduced its 30-day emergency re-admission rate from 9.8% in March 2017 to 8.3% in March 2018, however this is still higher (worse) than the national median of 7.19%. The NHS trust has achieved this by using technology to identify patients at risk of readmission and putting in place interventions which include follow-up support after discharge.
- For the period April to June 2018, pre-procedure non-elective bed days at the NHS trust were 0.57 which is in the lowest (best) quartile and below the national median of 0.69. However, the pre-procedure elective bed days were 0.18 which is above the national median of 0.11. This indicates that some patients are coming into hospital unnecessarily prior to treatment.
- The NHS trust's DNA rate at 7.99% has improved slightly since March 2017 but is still higher (worse) than the national median of 7.2%. The NHS trust has centralised the outpatient booking function and is making use of patient text and email systems to reduce the DNA rates.
- The NHS trust's DTOC rates have consistently remained below the target of 3.5%. The NHS trust achieved this through collaborating with CCG and local authority partners to develop an integrated care system, which includes a multidisciplinary assessment team working seven days a week to plan patient discharge and future destination support services.
- The NHS trust has actively engaged with the 'Getting it Right First Time' (GIRFT) programme to improve elective capacity utilisation and RTT performance. The demonstrable impacts are in trauma and orthopaedics (T&O) where the RTT backlog has been reduced and RTT performance improved despite an increase in demand.

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

The NHS trust has invested in recruitment and retention activities which have delivered some improvement in retention rates, and significantly reduced the health care support workers (HCSW) vacancy rate. However, controlling the high staff costs and sickness rates remains a challenge.

- For 2016/17, the NHS trust had an overall pay cost per weighted activity unit (WAU) of £2,460, against a national median of £2,157, placing it in the top (worst) quartile nationally. This means that the NHS trust spent more on staff per unit of activity than other NHS trusts.
- The breakdown of staff costs per WAU shows that all individual staff categories costs of delivering activity were above (worse) national averages. Dual site working, and high agency costs have contributed to the NHS trust's high pay costs.
- The NHS trust has undertaken initiatives to reduce its pay cost per WAU evidenced by a 30% year on year reduction in agency spend in 2017/18. However, at the time of the assessment the NHS trust's spend had exceeded the year-to-date plan for agency spend.
- The NHS trust is using some innovative models of working such as Senior Allied Health Professionals (AHPs) running musculoskeletal clinics, Advanced Practitioners within maternity and it is developing a pool of Emergency Technicians for emergency care.
- The NHS trust is using some technology to improve workforce management. The NHS trust has implemented an electronic rostering system for ward-based nursing staff and supplemented this with an analytical and reporting tool to monitor expenditure at ward level. The NHS trust also electronically monitors Care Hours Per Patient Day (CHPPD), twice a day. The NHS trust received national recognition for its approach to electronic rostering and oversight of nursing workforce deployment.
- The proportion of consultants with an active job plan is 100% which is higher than the national average of 88%, however the number of planned direct clinical care sessions per consultant are significantly lower than the national median.
- The NHS trust's consultant job planning process is linked to the annual Personal Development Review process and it utilises the aggregate direct clinical contact (DCC) information in the operational planning, however there has been variability in linking individual job plans to the operational capacity and demand planning.
- Overall staff retention rates improved slightly from 85.3% in April 2017 to 85.5% in April 2018 but remain just below the national median of 85.7%. The NHS trust's retention rates for nursing and AHP staff groups are however, higher (better) than the national average and it has significantly reduced the HCSW vacancies rates.
- The NHS trust has invested in recruitment and retention by strengthening its brand, accelerating the recruitment process and launching a free benefits app for employees. The NHS trust also has additional training opportunities linked to professional development, which target newly qualified nurses, emergency medical staff and management.
- The NHS trust has been working, through the Healthcare Overseas Practitioners programme, to expand its local talent pool by training the local refugee population.

- The NHS trust's sickness rate at 4.21% is higher (worse) than the national median of 3.99%, placing them in the third quartile nationally. The NHS trust is addressing this through a sickness management plan which targets the drivers of high sickness absences such as mental health and musculoskeletal conditions.

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

The NHS trust has experienced challenges in delivering imaging services, with high vacancy and sickness rates impacting service delivery and contributing to the higher than national average running costs. However, the costs of delivering pathology and pharmacy services are lower than national average, but there are further opportunities to be achieved in pharmacy**.**

- The NHS trust's overall Pathology cost per test (£0.90) benchmarks in the lowest (best) quartile nationally. A breakdown of cost per test however, shows higher than average costs per test for cellular pathology and microbiology, indicating that further efficiencies could be achieved.
- The cost of providing imaging services is in the upper (worst) quartile nationally with several underpinning metrics such as agency, bank, and overtime costs all in the upper (worst) quartile. The NHS trust does not collaborate with any other service providers to deliver non-urgent imaging services.
- The NHS trust has a high reporting backlog with CT, MRI and Plain X-ray all in the upper (worst) quartile nationally. The NHS trust cited demand growth, IT failures, infrastructure limitations and capacity constraints as the key contributors to this.
- The NHS trust's vacancy rate for radiographers is higher than the national average and reporting radiographers have been unable to carry out reporting on x-ray films due to capacity constraints in the core services. The overall imaging staff sickness rates are also in the upper (worst) quartile.
- DNA rates, specifically for MRI, CT and Ultra Sound (non-obstetric) are all above the national recommended benchmark. The NHS trust is looking to reduce DNA rates by strengthening its engagement with patients through the patient text reminder system.
- The NHS trust acknowledges that the imaging service is an area where improvement is required and is working to recover service performance by October 2018. Further efforts are also being undertaken to recruit to radiographer roles and release more senior staff to undertake reporting. The NHS trust has also been successful in recruiting five radiologists, which is an area where specialist shortages have been nationally recognised.
- For 2016/17, the pharmacy staff and medicines cost per WAU at £342, were below the national median of £354 and the NHS trust has undertaken further actions to release cost through reviewing its pharmacy staffing structure.
- As part of the Top Ten Medicines initiative, the NHS trust achieved 82%, placing them in the lowest(worst) quartile. The savings realised (£1.57million) were also below the national benchmark of £1.91 million, indicating that the NHS trust has not maximised the savings opportunities from the initiative. The NHS trust was slow to commence work switching the top 10 medications at the start of the year.
- The NHS trust does not have a trust wide ePrescribing and Medicines Administration (ePMA) system but is looking develop one with the current electronic patient record system supplier. The NHS trust's ePrescribing rates for chemotherapy are in the top (best) quartile however, it is lagging in other areas such as inpatients.

- Other areas where the NHS trust has used technology include medicines distribution, medicines preparation and tracking.

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

The NHS trust has relatively lower than national average running costs across most of its non-clinical support services with some collaboration in delivering procurement services. There are however, opportunities for productivity improvements in the soft facilities management services.

- For 2016/17 the NHS trust had an overall non-pay cost per WAU of £1,178, compared with national median of £1,301, placing it in the lowest (best) quartile nationally.
- The cost of running key corporate services is lower than national average, evidenced by a lower function cost per £100m of turnover. Most of the services are provided in-house however, they are reviewed annually for efficiencies.
- The NHS trust has previously considered shared service models for human resources, finance and payroll, but the options were not cost effective. The NHS trust has some collaboration with Walsall Healthcare NHS trust and Dudley Group NHS FT where they align bank rates and, it is exploring options for payroll services with a neighbouring NHS trust.
- The NHS trust's procurement processes are relatively inefficient and tend not to successfully drive down costs on the things it buys. This is reflected in the NHS trust's Procurement Process Efficiency and Price Performance Score of 54.9, which is below the national benchmark of 79 (Q4 2016/17).
- In November 2017, the NHS trust became part of the procurement collaboration arrangements with Walsall Healthcare NHS trust and Dudley Group NHS Foundation trust. This has delivered benefits of improved reporting and intelligence on non-pay expenditure however, the NHS trust is not yet able to report any financial savings. The NHS trust has clinical engagement in standardising clinical products and is in process of streamlining its supplier base.
- The NHS trust's estates and facilities at £348 costs per square metre benchmark slightly below (better) the national average however, the costs per WAU (£457) are higher(worse) than the national average of £445. This indicates that there are further efficiencies to be achieved, within soft facilities management services where both costs per square metre and cost per WAU benchmark in the highest (worst) quartile nationally.
- The NHS trust is carrying a high level of backlog maintenance of £603 per metre square against a benchmark of £226. It has provided significant investment into the high backlog areas with approximately £18 million invested over the last 3 years. Although this has delivered an improvement (from £622 per metre square in 2014/15), the progress has at times been offset by the continued deterioration of the existing estate.
- The NHS trust's overall estates and facilities improvement plans, including plans to decommission some of the services in older buildings of the estate and address the risks associated with the high maintenance backlog, were linked to plans for a new hospital build which have been significantly delayed by factors beyond the control of the NHS trust.

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

The NHS trust's reported surplus position for 2017/18 was better than plan, however it benefited from non-recurrent transactions and continues to operate with an underlying deficit in 2018/19.

- For 2017/18, the NHS trust reported a position of £4.5 million surplus excluding STF which was better than the control total of a £0.5 million deficit excluding STF. This represented 0.96% of operating income (excluding STF) and was an improvement from 2016/17 when it reported a deficit of £17.2 million (3.79% of operating income excluding STF).
- The NHS trust's position benefited from a one-off transaction and non-recurrent measures meaning that it continues to operate with an underlying deficit. The exit financial position for 2017/18 was a deficit of £26 million (5.2% of operating income) and the control total for 2018/19 is a deficit (exc. PSF) of £7.5 million.
- The NHS trust delivered a £39.2 million CIP (7.9% operating income) for 2017/18, 43% of this was delivered non-recurrently. For 2018/19, the NHS trust has a CIP of £37.2 million and at the end of July, it was £1.7 million behind this plan but forecasting full delivery for the whole year.
- The NHS trust has a challenging cash position but has avoided the need for extra cash support to fund its activities and meet its financial obligations. It also has no borrowings other than the £33.9 million in relation to its PFI. However, the NHS trust's performance against its Better Payment Practice Code target (95% of payments within 30 days) has been deteriorating from 55% as at March 2018, to 30% as at end of August 2018.
- The NHS trust has demonstrated focus on maximising income by negotiating profitable contract values with commissioners for elective services and delivering some income generating services to other NHS organisations.
- The NHS trust does not make regular use of SLR but uses it alongside other quality and performance metrics in reviewing the performance of specific service lines, such as Oral Surgery.
- The NHS trust limits its use of consultancy spend to areas for which it has limited expertise or for individual projects which require significant but short-term support. During the first 6 months of 2017/18 they took part in the first phase of Financial Improvement Programme 2 and required some short-term support in the PMO for CIPs but have not incurred any expenditure since then.

Outstanding practice

- The trust received national recognition for its approach to electronic rostering and oversight of nursing workforce deployment.
- The trust has been working, through the Healthcare Overseas Practitioners programme, to expand its local talent pool by training the local refugee population.

Areas for improvement

- The NHS trust has high pay costs per WAU and needs to continue addressing this.
- The NHS trust should also continue with the efforts to reduce staff sickness, improve retention rates and drive its agency reduction plan.
- The NHS trust should further strengthen the integration of consultant job plans with the operational planning process and monitoring of direct care utilisation.
- Further work is required to improve diagnostics and A&E performance to bring this in line with national standards. Maximise opportunities available for support in implementing the A&E performance improvement plan and continue to address operational challenges within imaging services.
- Improve data quality and reporting of readmission rates.
- Continue to explore opportunities to leverage technology to improve productivity.
- Focus on improving performance against the better payment practice code
- Work towards delivering more recurrent cost improvement plans.
- Continue sourcing opportunities to improve productivity in back office and soft FM services.

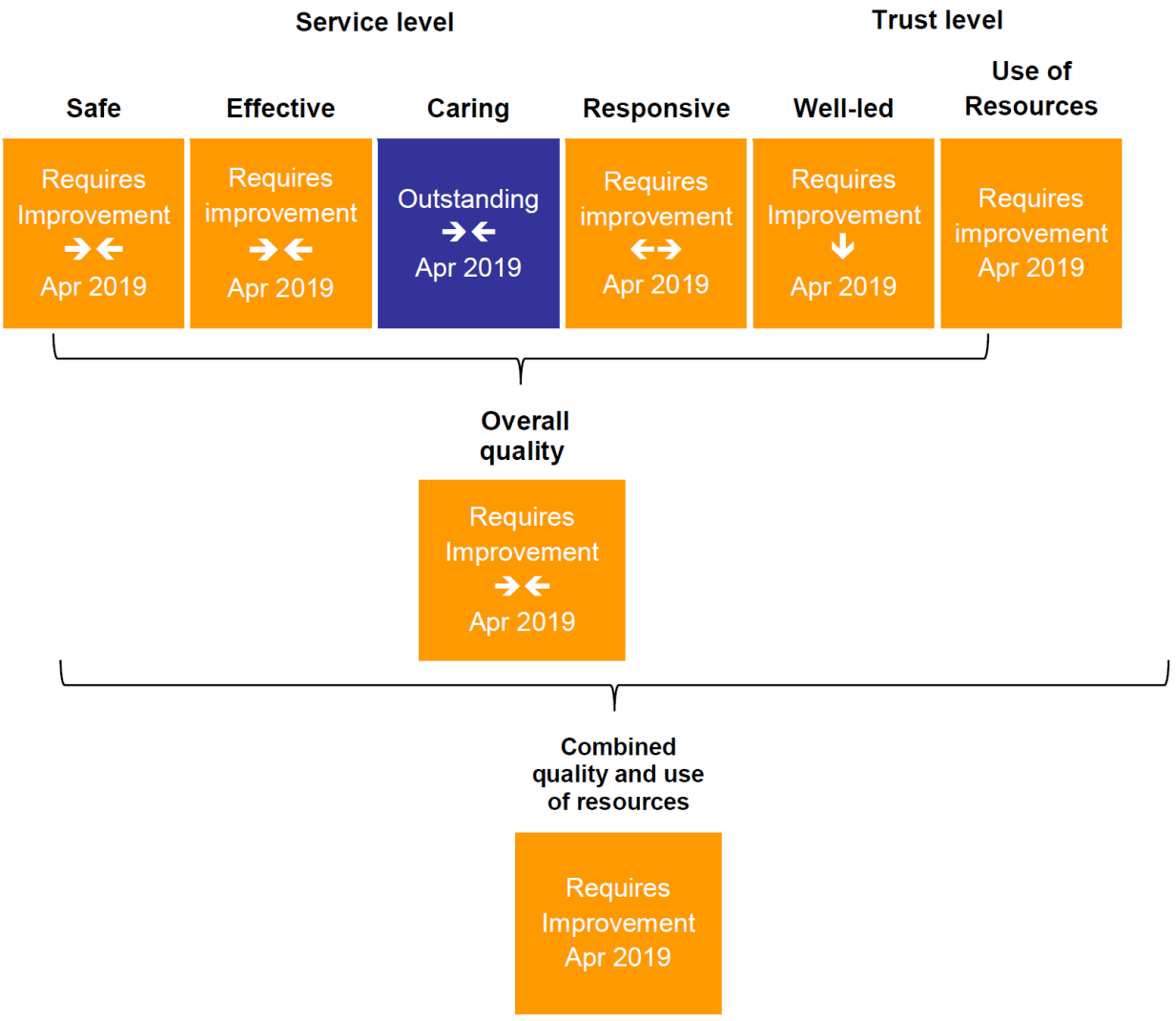
Ratings tables

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.