St Helens and Knowsley Teaching Hospitals NHS Trust

Use of Resources assessment report

Warrington Road
Prescot
L35 5DR

Date of publication: 20 March 2019

Tel: 0151 426 1600
www.sthk.nhs.uk

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	**Outstanding ☆**
Are services safe?	**Good ●**
Are services effective?	**Good ●**
Are services caring?	**Outstanding ☆**
Are services responsive?	**Good ●**
Are services well-led?	**Outstanding ☆**

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/RBN/reports)

Are resources used productively?	**Good ●**

Combined rating for quality and use of resources	**Outstanding ☆**

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:

Our rating of the trust improved. We rated it as outstanding because:

- We rated safe, effective and responsive as good and caring and well-led as outstanding.
- We rated six of the trust's eight services as good, one as outstanding across two sites and one as requiring improvement. In rating the trust, we took into account the current ratings of the five services not inspected this time.
- Whiston Hospital was rated good overall.
- St Helens Hospital was rated outstanding overall.
- Community services were rated as good overall.
- We rated Marshalls Cross Medical Centre as requiring improvement however this service was only acquired by the trust in April 2018 and therefore these ratings are not aggregated in to the overall ratings.
- As the community services had been delivered by the trust for less than two years we have agreed not to aggregate the rating for community into the overall trust rating.
- We have rated well led for the trust as outstanding. There had been significant progress within the maternity services and some upward movement within the ratings although there has been some deterioration in one rating in urgent and emergency care.
- The Trust retained the outstanding ratings for the Whiston and St Helens Hospital outpatient services, which were rated in 2015.
- The trust was rated good for Use of Resources.
- This gives a combined rating of outstanding.

St Helens and Knowsley Teaching Hospitals NHS Trust

Use of Resources assessment report

Warrington Road

Prescot

L35 5DR

Tel: 0151 426 1600

www.sthk.nhs.uk

Date of site visit:

05 July 2018

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

This report describes NHS Improvement's assessment of how effectively this trust uses its resources. It is based on a combination of data on the trust's performance over the previous 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.

Proposed rating for this trust?	**Good**

How we carried out this assessment

The aim of Use of Resources assessments is to understand how effectively providers are using their resources to provide high quality, efficient and sustainable care for patients. The assessment team has, according to the published framework, examined the 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 05 July 2018 and met the trust's executive team (including the chief executive), a non-executive director (in this case, the chair and deputy Chair) 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?	Good

- We rated the trust's use of resources as good.
- For 2016/17 the trust had an overall pay cost per weighted unit of activity (WAU) of £2,244 compared with a national median of £2,157. This means that it spends more on staff per unit of activity than most trusts.
- However, the trust hosts a number of services on behalf of other NHS organisations for which the pay expenditure is included within the Trust Annual Accounts. The trust receives income which covers the costs of providing these services. The services either do not have activity attributable to them, or the activity is included within the client organisation's WAU. If this is adjusted for, pay cost per WAU would be lower than the majority of other trusts.
- For 2016/17 the trust had an overall non-pay cost per WAU of £1,190 compared with a national median of £1,301. The services hosed by the trust reduce its non-pay cost per WAU slightly but even after adjusting for these, the trust's non-pay cost per WAU is still lower than the majority of trusts. This indicates the trust spends less on other goods and services per weighted unit of activity than most other trusts nationally.
- The trust delivered a surplus of £5.0m in 2017/18, against a control total of an £8.5m surplus, which was £3.5m behind plan. As of the first quarter of 2018/19, the trust is on track to achieve a year end surplus of £11.0m in 2018/19. In addition, the trust is not reliant on external loans to meet its financial obligations and deliver its services.
- The trust evidenced innovative workforce planning that helped to bridge the recruitment gaps with new professional roles including advance nurse practitioners, nurse clinicians, emergency care practitioners, surgical first assistants and nurse associates. The trust has a high level of compliance with job planning of its medical and specialist nursing workforce, indicating effective utilisation. The trust also provides pathology services on behalf of Southport and Ormskirk Hospitals NHS Trust having been awarded the contract in 2014.
- The trust is fully engaged with the Getting It Right First Time (GIRFT) programme and the trauma and orthopaedic service is used as an exemplar service by the national GIRFT team.
- Individual areas where the trust's productivity compared particularly well included finance and human resources (HR) functions with costs per £100m turnover both under the national median; allied health professional (AHP) staff cost per WAU and indicators of length of stay where the trust performed better than the median.
- However, opportunities for improvement were identified in pathology, did not attend (DNA) rates and emergency readmission rates.

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

- At the time of the assessment in July 2018, the trust was meeting the constitutional operational performance standards around referral to treatment (RTT), cancer and diagnostics. At the time of the assessment in July 2018, A&E performance was 74.45% for the month, compared with a figure of 89.42% for July 2017. Approximately 13% of this

15% reduction is the result of the trust following national guidance and excluding Type 3 activity which had a beneficial effect on performance figures last year. The trust has put measures in place to improve A&E performance and its current performance is in the context of an activity increase of circa 7% since last year.

- Patients are more likely to require additional medical treatment for the same condition at this trust compared to other trusts. At 9.32%, emergency readmission rates are above the national median of 8.24% as at December 2017, although this is reducing. The trust is undertaking case note audits to enable them to understand what factors are affecting this. The patients who are readmitted are predominantly over the age of 65 with many comorbidities, which increases their risk of readmission. The trust now delivers a Community Frailty Service in St Helens that provides support to this age group and help to avoid hospital admissions. The trust also works with Age Concern to support on-going needs post discharge to help facilitate earlier discharge and prevent readmissions. The trust noted there are concerns about patients being readmitted for drug and alcohol issues due to lack of community and mental health support services.
- Fewer patients are coming into hospital unnecessarily prior to elective treatment compared to most other hospitals in England. On pre-procedure elective bed days, at 0.10 days, the trust is performing in the second lowest (best) quartile when compared nationally – the national median is 0.13 days. However, on pre-procedure non-elective bed days, at 1.06 days, the trust is performing above the median of 0.81 days, placing it in the highest (worst) quartile when compared nationally.
- The trust has a low length of stay for elective patients when compared to the median, averaging 2.7 days. The trust also has a low length of stay for non-elective patients when compared to the median at 9.4 days.
- The trust has reviewed theatre scheduling to improve theatre efficiency and increase capacity. The trust has also introduced a third anaesthetist on the anaesthetic rota to ensure sufficient cover and availability.
- The trust works in conjunction with the wider economy including local authorities and the CCGs. The trust manages the community services for St Helens patients and noted this has enabled them to manage the end to end pathway in those specialities and deliver integrated care, increasing capacity and reducing the need for hospital readmission. The trust provides services such as dermatology that are important for the wider economy despite being high cost. The trust is a major supplier of shared services for other NHS organisations.
- The trust has clinical collaborations with other trusts in: Vascular, Stroke, Haematology, Oncology, Urology, Trauma (Plastics), Breast surgery and interventional radiology.
- The did not attend (DNA) rate for the trust is high at 10.26% for quarter 3 of 2017/18, compared to the national median of 7.34%. The trust noted this is driven by difficulties in certain specialities such as ophthalmology and dermatology where patients are given follow up appointments for minor injuries which patients often no longer deem necessary for further hospital treatment once by the time of the follow up appointment. In addition, the trust noted the DNA rate is impacted by the provision of Children's and Young People's Services, which traditionally have high DNA rates. The trust is addressing this, for example, by overbooking of clinics and improving text reminder services. However, the trust believes that human reminders work better than text reminders and is looking to employ two band 2 staff to undertake this, following which the approach will be evaluated. The new electronic patient record system will enable electronic outpatient scheduling which the trust believes will assist in managing appointments through

providing better patient choice. Currently, the trust has a staffed call centre that patients can dial into.

- The trust has introduced Stroke Telehealth that enables patients to undertake their outpatient appointments/check-ups whilst in their own homes or at work. The trust noted this development has resulted in a reduced DNA rate, an improved patient experience and has reduced the need for future increases in capacity to cope with the increased activity.
- The trust reports a DTOC rate of 2.6% (June 2018), that is lower than average and lower than the national standard of 3.5%. The trust provides adult community services to St Helens patients, including a dedicated frailty outreach team. The trust noted this has enabled them to manage the end to end pathways reducing length of stay in hospital, thus improving the efficiency of local service provision.
- The trust is fully engaged with the Getting It Right First Time (GIRFT) programme. On receipt of reports, the trust develops an action plan that is signed off by the Chief Executive and is managed through the care group review process. The trust has saved £0.7 million due to this.

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

- For 2016/17 the trust had an overall pay cost per WAU of £2,244, compared with a national median of £2,157 placing it in the second highest (worst) quartile nationally. This means that it spends more on staff per unit of activity than most trusts. However, the trust hosts a number of services for which they receive income to deliver that service, and for which activity is not attributable. If adjusted for the pay cost per WAU would be lower than the majority of other trusts.
- For 2016/17, the trust is in the second lowest (best) quartile for AHP cost per WAU (£112 vs a national median of £127), however, it benchmarks in the highest (worst) quartile for nursing cost per WAU (£800 vs a national median of £718). For this trust, the cost per WAU for medical staff is difficult to determine due to the trust being the lead employer for the junior doctors in Cheshire and Merseyside providers. When excluding the hosted services which do not have activity attributable to them, theoretical the cost per WAU would reduce for healthcare scientists and administration staff.
- The trust did not meet its agency ceiling as set by NHS Improvement for 2017/18 and is forecasting to miss its ceiling in 2018/19. The trust has cited that increased operational pressures have impacted on the agency usage in both years. However, the trust has achieved reductions in the cost of agency and locum staff through initiatives such as creating a premium payments scrutiny council that enables executive directors to review premium agency payments. The trust has successfully reduced agency costs by 25% (c£3m). While the reduction is not enough to achieve the cap, this is a significant improvement. In addition, the trust is developing a collaborative bank in conjunction with a neighbouring trust but the impact of this is not yet known.
- The trust has introduced innovative roles to bridge their recruitment gap, such as advance nurse practitioners, nurse clinicians, emergency care practitioners, surgical first assistants and nurse associates. In addition, the trust has participated in international recruitment for both medical and nursing staff. The trust evaluated this to ensure value for money and noted that the staff have stayed in the trust due to the innovative pastoral care put into place. This package of support included ensuring that the new staff were

met at the airport and welcomed to the trust, that staff had appropriate accommodation, and that support was in place through comprehensive trust induction.

- The trust has developed an annual international collaboration with Masaryk University in the Czech Republic, whereby the trust has recruited twelve newly qualified doctors who are trained in the English syllabus. These recruits join the trust for two years as Clinical Fellows at foundation year one and two. The trust explained this provides the opportunity to reduce agency spend and maintain continuity of care.
- The trust has placed geriatricians in to two local care homes to provide support and has since seen a resultant reduction in admissions. This has been received positively by the Clinical Commissioning Groups (CCGs) and will be evaluated and shared across the system.
- 100% of consultants and 75% of specialist nurse posts have a job plan, with the remaining 25% of specialist nurses working to a team job plan. Of these, 91% are entered into the electronic job planning system. The job plans are all reviewed through a consistency panel which included executive representation.
- The trust utilises an e-rostering system and rotas are completed twelve weeks in advance initially and then confirmed at six weeks.
- The trust reviews skill-mix twice a year as per National Quality Board guidelines. The use of premium agencies is authorised at executive-level only.
- At the time of the assessment the trusts staff retention rate was 74.4% against a national median of 85.7% (February 2018) placing it in the lowest (worst) quartile nationally. However, the trust is the lead employer for Cheshire and Merseyside Deanery junior medical staff which means these staff are included in this data, despite working at other organisations across Cheshire and Merseyside. If the retention rate is calculated excluding these staff, the rate for the trusts own staff is 87.9%, placing the trust in the highest (best) quartile nationally and above the national median. NHS Improvement supports the rationale for taking into account the metric following the adjustment.
- In January 2018, staff sickness levels, at 3.76%, are below the national median of 4.98%, placing the trust in the lowest (best) quartile nationally. The trust has developed a 5-star approach to patient care, which is a system developed by their staff in striving to meet the best standards of professional care whilst being sensitive to the needs of individual patients.

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

- The overall cost per test at the trust benchmarks in the second highest (worst) quartile nationally with a cost per test of £1.99 (16/17 data) against a national median of £1.96. The trust noted that the higher costs were due to the initial pressures experienced following the take-over of the Southport & Ormskirk Hospital NHS Trust pathology services.
- The trust is collaborating with Southport & Ormskirk Hospital NHS Trust presently and is participating in the Cheshire & Merseyside Network grouping which, at the time of review, was still forming.
- The trust's medicines cost per WAU is relatively low when compared nationally, at £293 and in the lowest (best) quartile compared to the national median of £320. As part of the Top Ten Medicines Programme, the trust has over-delivered on nationally identified savings opportunities, achieving 126% of the savings target.

- The trust is working with Royal Liverpool & Broadgreen University Hospitals NHS Trust to support improvement in medicines use. The trust holds a regular review forum with the CCG commissioners to review opportunities for shared benefit, with the recent switch over of Refluximab given as an example.
- The trust is undertaking a stockholding project to reduce its stock holding days down from current levels of 24 days (against a national median of 20 days).
- The trust has six radiographers in training to become reporting radiographers, which will increase the number of qualified staff able to interpret and report on plain film X-Rays thus supporting a reduced waiting time for reports and enabling Radiologists to spend time on more complex reporting. This initiative is supported through the Cheshire & Merseyside Imaging Collaborative (C&MIC) of which the trust is a leading participant, and the present service manager is a member of the national imaging oversight group chaired by NHS Improvement. The C&MIC is one of four early adopter sites exploring more productive ways to work in this clinical service speciality.

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

- For 2016/17 the trust had an overall non-pay cost per WAU of £1,190, compared with a national median of £1,301, placing it in the second lowest (best) quartile nationally. The services that the trust hosts for other trusts marginally increases the trusts non-pay cost per WAU but it remains lower than the national average.
- The trust has a 2016/17 finance cost per £100m turnover of £702,409, compared with the national median of £743,320, placing it in the second lowest (best) quartile. The HR cost per £100m turnover for the same period is £791,730 compared with the national median of £1m, placing it in the lowest (best) quartile. The trust noted it carries additional costs in these functions to support the doctors in training (the trust is lead employer for 5,500 doctors in training that do not work at the trust) and other hosted services such as IT and payroll and Southport & Ormskirk pathology.
- The trust provides payroll services to 26 NHS organisations (of various size and complexity) in the Cheshire and Merseyside STP footprint and is looking to expand this service further. The trust also provides complete HR services for Southport & Ormskirk NHS Trust.
- The trust provides a hub and spoke service for Junior Doctors in training across 5 HEE regions nationally. The trust employs c9,000 trainees across the country and manages c£0.5bn of pay re-charges per annum.
- The trust provides a collaborative Health Informatics Service (HIS) on behalf of its partners within the local Health economy, providing services to: Bridgewater Community Healthcare NHS FT, North West Boroughs Healthcare NHS FT, Halton CCG and all GP's, St Helens CCG and all GP's and Knowsley CCG and all GP's. This involves providing IT support to over 25,000 users in both system support and cyber security.
- At the time of the assessment, the trust's Procurement Process Efficiency and Price Performance Score (Q4 2016/17) was 46.3, which places it in the lowest (worst) quartile when compared with a national average of 79. However, the trust provided more recent Q3 2017/18 data that showed improvements have been made which are not reflected in the overall Procurement Process Efficiency and Price Performance Score. Improvements were demonstrated in the number of PPIB logins (145 to 335) and an increase in the

percentage of non-pay spend (10.5% to 35.2%), placing the trust above the national median for both.

- The procurement cost per £100m turnover for the trust, at £163,250, is lower than the national median of £209,941 indicating the trust spends less on procurement staff than most other trusts.
- The trust has a strong clinical leadership model for procurement decisions with the review committee for new awards being chaired by a medical lead.
- At £397 per square metre in 2016/17, the trust's estates and facilities costs benchmark slightly above the national average of £340. The trust operates two hospitals funded by a PFI with many of the costs contained within this contract. The trust holds regular contract reviews to manage performance and is aware of opportunities to negotiate improved efficiency.
- The trust has a backlog maintenance per square meter of £6, which is significantly below the national median of £83 and in the lowest (best) quartile and largely attributable to the PFI.
- The % of non-clinical space at the trust is 29.2% (2016/17) which is below the benchmark value of 32.3%. In addition, the trust's facility management (FM) costs are below the national benchmarks; with a soft FM cost of £110 per square metre against a benchmark of £129 per square metre, and a hard FM cost of £68 per square metre against a benchmark of £81 per square metre.
- The 2016/17 Supplies and Service cost per WAU is £252 which is below the national median of £375.
- The trust has consistently delivered the best PLACE scores in the country, including achieving top marks in every area of the PLACE inspection covering cleanliness, food, privacy and dignity, facilities for patients living with dementia and patients with disabilities.

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

- In 2018/19, after £12.8m of Provider Sustainability Funding, the trust has a control total and plan of £11.0m, which it is on target to meet as at the end of quarter. The trust has a reasonable track record of managing spending within available resources and in line with plans.
- In 2017/18, after £7.9m of Sustainability and Transformation Funding, the trust reported a surplus of £5.0m (1.3% of turnover) against a control total and plan of £8.5m surplus. The trust's financial outturn deteriorated in the last two months of that year due to expenditure relating to unplanned winter pressure activity that resulted in additional cost to maintain patient safety.
- The trust delivered £12.3m (80%) its planned savings in 2017/18, of which £6.7m (54%) was recurrent and £5.6m (46%) was non-recurrent. The trust has consistently delivered c.3.8% efficiencies over the last three years, which is significantly above the 2% built into the tariff.
- The trust has an ambitious cost improvement plan (CIP) of £19m (or 4.8% of its expenditure) for 2018/19 and although it is currently forecasting to deliver against plans, c.£10.2m are forecast to be high risk as at the end of quarter 1.

- The trust's cash balance at the end of 2017/18 was £11.6m and the trust is forecasting a closing balance of £1.5m at the end of 2018/19. The trust currently has adequate cash reserves and has historically been able to consistently meet its financial obligations and pay its staff and suppliers in the immediate term, as reflected by its capital service and liquidity metrics. The trust is currently not reliant on short-term loans to maintain positive cash balances.
- The trust has a performance of 98% (against a national target of 95%) on Better Payment Practice Code (BPPC) for the value of invoices paid.
- The trust produces service line reporting (SLR) costing information by division and clinical area and uses this to report the financial position of a division, as well as for identification of efficiencies. The trust has a dedicated clinical lead for costing who has regular meetings with the costing team. The trust looks at ways of continually developing costing alongside the other qualitative measures the trust receives, for example GIRFT. They also evaluate clinical engagement with SLR to seek improvements or opportunities. The trust explained they combine SLR and quality metrics to support investment and disinvestment decisions e.g. the orthodontics service which was clinically and financially unsustainable and was decommissioned in 2017/18.
- The trust proactively seeks to increase income and engages across the organisation to identify areas for growth in both clinical and non-clinical areas. The trust operates payroll for several organisations across Cheshire and Merseyside and is looking to expand this service. The trust has recently taken over the running of a GP practice within the locality and developed the service to improve patient pathways. In addition, the trust has developed the medical role within this service to offer experience in both primary care and the acute trust which has improved recruitment. The trust is looking to expand this service with up to 30% GP practices in the locality.
- The trust has not used management consultants in the past two years.

Outstanding practice

- The trust is utilised as an exemplar for the Getting It Right First Time Programme (GIRFT).
- In January 2018, staff sickness levels, at 3.76%, are below the national median placing the trust in the lowest (best) quartile nationally.
    - The trust has done strong work around recruitment, which includes working with universities, using the apprentice levy, St Helen's Cadets (80 cadets) and the use of nursing associates. This has been completed elsewhere but the trust has a comprehensive programme to support the staff and ensure they remain at the trust. These roles are valuable across all areas as they provide additional staff to take on roles that were traditionally carried out by clinical staff. They can be trained for a specific area if required with a unique set of skills.
    - The trust has recruited 27 nurses internationally from a diverse range of countries including India, Philippines and Jamaica, and has another 35-staff planned. This work is part of the global learner's programme and the trust provide pastoral care from the time the nurses arrive at the airport. The nurses have had a very positive impact on the wards and the induction support package for nurses is impressive. It is unusual to see the numbers recruited by the trust as international recruitment is difficult due to the many checks that are required. The potential for the recruits to

move to other organisations is high and this has been a problem elsewhere. The trust are currently retaining their international recruits through proactive management and excellent pastoral support post appointment.

  - The trust has developed an annual international collaboration with Masaryk University in the Czech Republic whereby the trust has recruited twelve newly qualified doctors who are trained in the English syllabus. These recruits join the trust for two years as Clinical Fellows at foundation year one and two.

- The trust has six radiographers in training to become reporting radiographers. This initiative is better supported through the Cheshire & Merseyside Imaging Collaborative (C&MIC) of which STHK is a leading participant, and the present service manager is a member of the National imaging oversight group chaired by NHS Improvement. The C&MIC is one of four early adopter sites exploring more productive ways to work.

Areas for improvement

- DNA rates are high compared to the national average and peers and the trust should ensure that sufficient focus is given to the balance between the use of automated reminder systems, human reminder systems and the opportunities that the new PAS will offer in the future.
- The pathology cost per test is just above the median following the integration of Southport and Ormskirk laboratories with the trust. There has been a slow adoption by the trust of the national pathology consolidation programme which would see a single network in Cheshire & Merseyside. The trust should commit to the opportunity for standardisation of operational processes across the region including determining a procurement strategy that aligns.
- The trust should seek opportunities to reduce pre-procedure non-elective length of stay to improve patient experience and reduce cost.

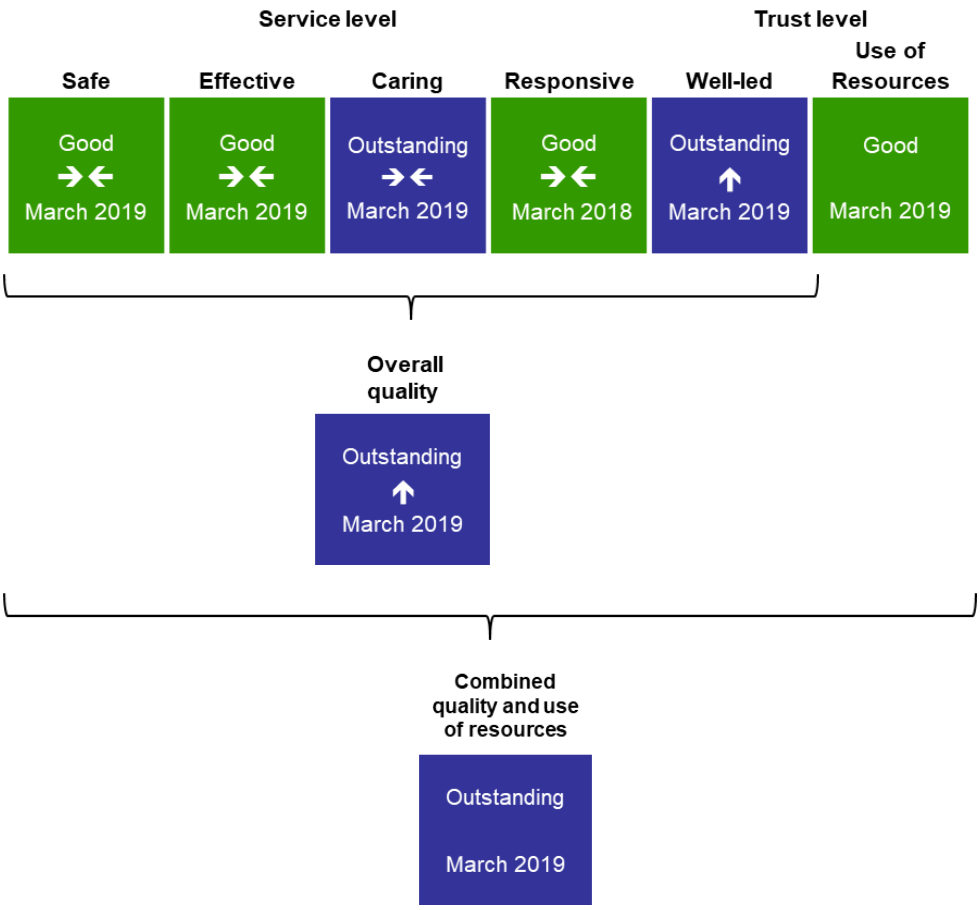
Ratings tables

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

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

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

Ratings for the whole trust



Use of Resources report glossary

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

Diagnostic 6-week wait target	According to this national target, at least 99% of patients should wait no longer than 6 weeks for a diagnostic procedure.
Did not attend (DNA) rate	A high level of DNAs indicates a system that might be making unnecessary outpatient appointments or failing to communicate clearly with patients. It also might mean the hospital has made appointments at inappropriate times, eg school closing hour. Patients might not be clear how to rearrange an appointment. Lowering this rate would help the trust save costs on unconfirmed appointments and increase system efficiency.
Distance from financial plan	This metric measures the variance between the trust's annual financial plan and its actual performance. Trusts are expected to be on, or ahead, of financial plan, to ensure the sector achieves, or exceeds, its annual forecast. Being behind plan may be the result of poor financial management, poor financial planning or both.
Doctors cost per WAU	This is a doctor specific version of the pay cost per WAU metric. This allows trusts to query why their doctor pay is higher or lower than national peers. Consideration should be given to clinical staff mix and clinical staff skill mix when using this metric.
Delayed transfers of care (DTOC)	A DTOC from acute or non-acute care occurs when a patient is ready to depart from such care is still occupying a bed. This happens for a number of reasons, such as awaiting completion of assessment, public funding, further non-acute NHS care, residential home placement or availability, or care package in own home, or due to patient or family choice.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation divided by total revenue. This is a measurement of an organisation's operating profitability as a percentage of its total revenue.
Emergency readmissions	This metric looks at the number of emergency readmissions within 30 days of the original procedure/stay, and the associated financial opportunity of reducing this number. The percentage of patients readmitted to hospital within 30 days of discharge can be an indicator of the quality of care received during the first admission and how appropriate the original Decision made to discharge was.
Electronic staff record (ESR)	ESR is an electronic human resources and payroll database system used by the NHS to manage its staff.
Estates cost per square metre	This metric examines the overall cost-effectiveness of the trust's estates, looking at the cost per square metre. The aim is to reduce property costs relative to those paid by peers over time.
Finance cost per £100 million turnover	This metric shows the annual cost of the finance department for each £100 million of trust turnover. A low value is preferable to a high value but the quality and efficiency of the department's services should also be considered.
Getting It Right First Time (GIRFT) programme	GIRFT is a national programme designed to improve medical care within the NHS by reducing unwarranted variations.

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

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