The Rotherham NHS Foundation Trust

Use of Resources assessment report

Rotherham Hospital
Moorgate Road
Rotherham
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www.therotherhamft.nhs.uk

Date of publication: 31/01/2019

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?	**Good**
Are services responsive?	**Good**
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/RFR/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:

- We rated safe, effective and well-led as requires improvement, and rated caring and responsive as good. All ratings were the same as the previous inspection except for responsive, which had improved one rating.
- Rotherham General Hospital was rated as requires improvement overall. Safe, effective, responsive and well-led remained as requires improvement and caring remained good.
- Community Healthcare Services remained as requires improvement overall. We inspected one core service (community healthcare services for children and young people) at this inspection and the overall ratings for effective and well-led remained as requires improvement while safe, caring and responsive remained as good.
- We rated well-led at the trust as requires improvement.
- The trust was rated requires improvement for Use of Resources.

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Rotherham Hospital
Moorgate Road
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Date of site visit:
28 September 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?	**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 28 September 2018 and met the trust's executive team (including the chief executive), a non-executive director 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 trust's use of resources as requires improvement.
- For 2016/17, the trust had an overall cost per weighted activity unit (WAU) of £3,769 compared to the national median of £3,484. This indicates 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.
- Overall the trust's non-pay costs per WAU were better than the national median at £1,261 compared with £1,301. This means the trust spends less on other goods and services per unit of activity than most trusts nationally.
- The trust had an overall pay cost per WAU of £2,518 compared with a national median of £2,157. This means that it spends more on staff per unit of activity than most trusts. The trust indicated that this is in part due to the inclusion of community services related costs. The trust calculated that the impact of adjusting for community services pay costs of £18m would move the overall pay cost per WAU from the highest (worst) quartile to the second highest (worst) quartile and gives a position equivalent to the peer group average (trust size/spend).
- Individual areas where the trust's productivity compared particularly well included Did Not Attend (DNA) rates, staff retention, staff sickness rates, and estates and facilities costs. Opportunities for improvement were identified in agency cost per WAU, together with Nursing and Allied Health Professionals cost per WAU.
- The trust has taken some progressive actions in relation to their workforce challenges, one of which has resulted in them recruiting 14 middle grade doctors from overseas. The trust believes this should contribute significantly to the resilience of the medical workforce and improve the efficiency and productivity of this staffing group.
- The trust has developed an innovative approach to improving theatre productivity through the creation of a dashboard that enables an accurate mapping of capacity to list start times and tracks every case. This has resulted in more efficient procurement of theatre resources, including prosthesis and specialist staffing, providing more accurate timeslots for treatments and a better patient experience.
- The 2017/18 year-end financial position was of a deficit of £23.0 million. This compared to a planned deficit of £13.6 million and a control total requirement to break-even. As a result, the trust did not earn any Sustainability and Transformation funding (STF) during this period. For 2018/19 the Trust submitted a deficit plan of £20.3m for which it was on-plan at the time of assessment.

- The trust was in receipt of revenue cash support in 2017/18 but the levels of borrowing are planned to reduce in 2018/19 supported by the improvement in the underlying financial position and improved cash management processes.

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 September 2018, the trust was meeting the constitutional operational performance standards for referral to treatment (RTT), Cancer and Diagnostics. The trust was not meeting the constitutional operational performance standard for Accident and Emergency (A&E).

- The trust had a delayed transfers of care (DTOC) rate of 3.8% (August 2018) that is lower than the national average of 4.2% in August, and higher than the trust's own target rate of 3.5%. This is in the context of a DTOC rate of below 3% (1.6% - 2.9%) for the previous 10 months. Over the last 12 months the trust has implemented a range of actions to reduce their DTOC rate. The trust has worked in collaboration with partners across the Rotherham system to minimise the number of patients with a length of stay over 7 and 21 days ('stranded' and 'super-stranded' patients respectively). This includes a clear standard operating procedure for the management of DTOC patients, implementation of a trusted assessor scheme across health and social care and implementation of a 'home first' approach.

- The number of patients coming into hospital unnecessarily prior to treatment at this trust, is close to the national average when compared to most other hospitals in England.
    - On pre-procedure elective bed days, at 0.11, the trust is performing in the second lowest (best) quartile and in line with the national median of 0.11.
    - On pre-procedure non-elective bed days, at 0.70, the trust is performing in the second highest (worst) quartile and slightly above the national median of 0.69.

- The trust is undertaking a number of activities to improve clinical productivity (elective and non-elective) both as a trust and as part of the Rotherham system. The trust has generated both internal efficiencies and the potential to access best practice tariff, and therefore funding, by having fidelity of process with clinical guidance/pathways. The trust has successfully delivered the 10 safety standards associated with the Maternity Safety Strategy which has enabled it to benefit from a 10% reduction in its Clinical Negligence Scheme for Trusts (CNST) premium. The trust has ringfenced elective beds, particularly in the surgical division and for fractured neck of femur patients which protects the productivity of these areas. In addition, the trust evidenced key workstreams that are in place to improve clinical productivity, including patients having blood transfusions through ambulatory care (7-day service), rather than as an inpatient.

- The trust was able to evidence innovative practice in relation to the development of a theatre dashboard. This maps theatre capacity to list start time and is supported by a bespoke dashboard which tracks every case. This has meant improved throughput in terms of volume of activity, alongside providing accurately planned timeslots to patients of when their

operation will take place. Some of the efficiencies generated have been seen in accurate start/finishing times and therefore scheduling which supports effective procurement of resource e.g. prostheses and specialist staffing resource.

- The trust has been working to optimise the number of day case procedures and has seen a reduction in the average length of stay (LOS) in hip surgery from 5.06 days in 2017 to 4.37 days in 2018, a saving of 158.1 bed days year to date. Similarly, in knee surgery the average LOS has reduced from 5.26 days in 2017 to 4.98 days in 2018, a saving of 63.28 bed days year to date.

- Clinical service reviews have been undertaken for the four divisions (medicine, family health, surgery and clinical support). Supported by evidence-based staffing tools such as the allocate rostering system, the safe care bundle and professional guidance, the reviews considered performance against budgets and outcomes for patients. Each division now has a live action plan to drive efficiency and where plans are not delivered in full they become the basis for the development of recovery plans. As these plans have become more developed there have been cost-based reductions as an impact of more accurate clinical coding aligned with healthcare resource groups, the current one being HRG4+ tariff prices (as well as multi-year tariffs). The approach has also resulted in the development of a more structured and resilient clinical pathway.

- At 7.62%, emergency readmission rates are slightly below the national median of 7.64%. This means patients are less likely to require additional medical treatment for the same condition at the trust compared to other trusts.

- To support further improvements in operational productivity and optimise high quality safe care delivery for patients, the ambulatory care unit (ACU) has been expanded to cover seven days a week during 2018. The high levels of utilisation of advanced nurse practitioners (ANPs) in ACU supports the effective use of the acute medical workforce and maximisation of the ACU has resulted in over 40% of the acute medical take being managed in this area, freeing up capacity in the emergency department.

- The trust's community nursing teams manage their workload to support planned and unplanned elements of patient flow, prevent emergency admission and reduce LOS. To prevent admission of frail elderly patients a business case has been approved to enable permanency of this service. Further evidence of the success of these models had been a reduction in non-elective activity.

- At the time of the assessment, the Did Not Attend (DNA) rate was 6.02%, below the national median of 7.02% and placing the trust in the highest (best) quartile. The DNA rate in the last 12 months has significantly improved from 7.56% in Q1 2017/18 to 6.02% in Q1 2018/19.The trust evidenced how they were continuing to build upon their progress by targeting patients for additional engagement support (such as increased use of SMS campaigns and telephone calls/ messages for patients) on the basis of demographics and previous attendance behaviours and by utilising the patient administration system to ensure calls, texts and letters are delivered correctly. In addition, DNA rates are included as part of assurance reports that are considered at a divisional level, before progressing to board sub-

committees and then the trust board for consideration which includes implementation reports to analyse whether patients have received text reminders, enabling corrective action and optimisation quickly.

- The trust has engaged with the Getting It Right First Time (GIRFT) team to identify efficiencies and improve the outcomes for patients. This has resulted in measurable improvements in resource allocation such as consultant of the day and rapid access clinics as well as a marked reduction in prosthesis spend.

- The trust has implemented a number of approaches to reduce costs. This includes changing to balloon induction of labour (rather than using prostaglandins). This has released a saving of over £10,000 per annum on drug costs as well as reducing the overall LOS for these patients by one day. Similarly, utilisation of acupin therapy for patients following surgery has reduced the incidence of post-operative nausea/vomiting and therefore led to a reduced LOS, although this was not quantified by the trust.

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 £2,508, compared with a national median of £2,157, placing it in the highest (worst) quartile nationally. This means that it spends more on staff per unit of activity than most trusts. The trust indicated that this position is due in part to the inclusion of community services related costs. The trust calculated that the impact of adjusting for community services pay costs of £18m would move the pay cost per WAU from the highest (worst) quartile to the second highest (worst) quartile, and gives a position equivalent to the peer group average (trust size/spend).

- Underpinning the headline pay cost per WAU figure, the trust is in the worst quartile for pay cost per WAU for nursing (£926 compared to a national median of £718) and Allied Health Professionals (AHPs) (£201 compared to a national median of £127). However, for the nursing staff group, the trust indicated this is due to the inclusion of community service related costs which when adjusted for moves the trust from the highest (worst) quartile to the second lowest (best) quartile for nursing cost per WAU, and gives a position better than the peer group average (trust size/spend). Similarly, for the AHP staff group, when adjusted for moves the trust from the highest (worst) quartile to the second highest (worst) quartile for AHP cost per WAU, and gives a position better than the peer group average (trust size/spend).

- For the same period, the trust's medical cost per WAU (£445 compared to a national median of £526) benchmarks in the lowest (best) quartile, however, this does not reflect the trust's high use of agency staff.

- The trust recognises the challenges with overall pay costs and has taken a range of actions in response to this. The trust has improved the capture and coding of activity that it undertakes to ensure the income and costs for activity are more accurately tracked. This means that a more accurate picture of the pay cost per WAU should be available in the future.

- The trust uses an electronic rostering system to support the planning and management of staffing for most staff groups (excluding some medical staff). This system with the processes that support its operation measure and track management information covering areas such as annual leave % per staff group, unused contracted hours and unfilled rosters. The trust told us that the information produced by this system informs the actions required to ensure efficient and effective deployment of staffing resources. The trust stated that this is contributing to reducing pay costs but this was not quantified.

- In response to the underlying challenges with recruitment the trust has undertaken some overseas recruitment for middle grade doctors and had successfully offered posts to 14 staff to support the emergency department, acute medical unit and other specialties.

- The trust explained they have taken actions to develop their workforce models in response to the challenges faced, including appointing ten (five each year) trainee nursing associate apprentices (existing staff) to work on the medical and surgical wards and putting in place a development programme for band 7 staff (the Leadership, Exploration and Discovery programme) which is empowering an increasing number of clinical staff to be clinical leaders in the trust. At the time of the assessment 171 band 7 colleagues in the trust had undertaken the training for this programme. A lead advanced care practitioner had also been appointed by the trust to review the approach to using advanced care practitioner and advanced nurse practitioner roles in the organisation.

- 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's agency staff cost per WAU, at £187, is in the second highest (worst) quartile and above the national median of £137. This means it is spending more than the national average on agency as a proportion of total pay spend

- The trust noted it had taken actions to support reductions in the ongoing requirements for agency staff, for example, the refinement of operational procedures that underpin decisions taken in relation to the deployment of temporary staffing including a robust escalation process. The operational processes are supported and guided by a weekly workforce programme board which considers the latest management information on staffing establishment, bank and agency staff usage. The weekly programme board is attended by the Executive Director of Workforce, Associate Director of Human Resources, Deputy Chief Nurse, Deputy Director of Finance, Divisional Managers and other key operational staff.

- The trust has developed its in-house staffing bank in order to switch the balance for shifts to be filled towards using bank staff rather than agency staff.

- The trust has had some successes in reducing agency spend including no longer using agency healthcare assistants during the normal course of business, and a reduction in non-medical and administrative spend. However, the overall position continues to be a negative outlier due to the challenges faced in recruiting and retaining medical staff.

- Staff retention at the trust is positive, with a retention rate of 88.5% in April 2018 against a national median of 85.8%. The trust explained this was due to a range of actions including the provision of health & wellbeing initiatives for staff and professional development opportunities. These include supporting 12 staff to commence an Assistant Practitioner Foundation Degree Apprenticeship in September 2018 and January 2019, and 20 staff to study the Level 2 Functional Skills qualifications in English and Maths, supporting increasing interest in Assistant Practitioner apprenticeships and Trainee Nurse Associate roles.

- At 3.9% in 2017, staff sickness rates are slightly better than the national average of 4.0%. In support of this the trust has successfully implemented a staff flu vaccination campaign and is working with Staff Side Trade Union colleagues to understand and respond to particular trends and themes in staff sickness rates.

- The trust has taken a proactive approach to reviewing the skill mix in the organisation with a range of consultations in divisions having been completed. One example is the Theatre review which impacted on the roles and deployment of c.140 staff. The trust uses a range of tools to support operational management of skill mix including the Safer Nursing Care Tool which supports the optimal use of nursing staff from a safety, quality and efficiency perspective.

- One example of the trust's utilisation of a different skill mix is in radiology. Data provided by the trust shows that 58.8% of general x-rays are reported by reporting radiographers (the majority of which are AHPs) as opposed to consultant radiologists, registrar radiologists or via outsourcing which would come at higher cost. This supports both a reduction in locum costs and efficient use of the workforce.

- The trust is currently in a transition period in relation to job planning for medical staff with the level of job plans for doctors being above 90% and is introducing an electronic system for medical job planning to support this alignment with the organisation's needs and priorities.

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

- The trust recognises the importance of clinical support services in delivering high quality care, which is reflected in the way it delivers these services. Its overall cost per test is £2.05 which places it in the second highest (worst) quartile nationally compared to the median cost of £1.99. However, deeper analysis indicates a much higher cost than the medium for Cellular Pathology across pay and non-pay with a cost per test of £788.79 in comparison to a national median cost of £22.08. The trust felt that this was a data recording anomaly/apportionment allocation which had skewed the trust's overall actual position for the cost per test metric and that an improved position was likely to be demonstrated in the next model hospital data submission as a result of resolving this.

- With regards to supporting the development of clinical support networks across the South Yorkshire and Bassetlaw Integrated Care System (ICS) area, the trust is the lead provider and has established a working group to oversee the development of collaborative arrangements and are supporting the development of a network solution including what a

proposed model would look like for partners. These development arrangements have acknowledged the need to both improve performance of services across every trust within the collaborative whilst at the same time ensuring that the trust's performance does not fall behind. Modelled benefits for the collaborative have shown potential savings of £5.8m per annum across the ICS area including savings of £2m shared between the trust and a neighbouring trust.

- The trust is developing an approach to introduce e-rostering arrangement for clinical support service staff groups to help it support better demand management arrangements, but this is still in its infancy.

- With regards to imaging services it was confirmed that the ICS is looking at this as most trusts had historically struggled to retain capacity in this area. More recently services had improved especially for reporting arrangements and the trust confirmed that they were no longer outsourcing such requests, with the exception of out of hours, where an element of outsourcing was still required.

- The trust is a positive outlier with regards to its medicines spend with a cost per WAU of £281 in comparison to a national median of £320.

- Looking at the performance of the top 10 medicines, the trust has improved over 2017/18 delivering 143% of its target savings position. The trust noted this success was down to a number of reasons including: the development of a robust Hospital Pharmacy Transformation Programme including the appointment of a full time Programme Manager helping to drive forward its performance; a focus on the coding of drugs and examining those costs which can be reclaimed back from commissioners; and the introduction of "partial packs" on ward areas to support patient discharge arrangements resulting in reducing turnaround times by up to 120 minutes over an 8 month period.

- However, the trust does not currently have many pharmacists actively prescribing on ward areas at present, although they are aware of where such services would be most effectively used resources permitting i.e. accident & emergency and surgical admissions ward.

- The trust is using technology in innovative ways to improve operational productivity including, for example, Sepia Portal which is an in house built tool which provides operational and clinical colleagues with information on patients and how they are progressing through the trust; discharge letters are sent out to GPs electronically; and bar coding has been introduced in pharmacy to help manage effective distribution and management of drugs and how long these are held onto in the trust.

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 £1,261 compared with a national median of £1,301 placing it in the second lowest (best) quartile nationally. This means the trust spends less on other goods and services per unit of activity than most trusts nationally.

- Over the past 12 months, the trust has begun to review a number of services with a view to addressing areas which do not appear to be offering good value for money for the trust. This is done via a Corporate Services Working Group using NHS Improvement benchmarking data and has helped generate a number of savings including, for example, discontinuing the previous model of provision of wheelchair services which was generating a deficit for the trust of £300,000. The trust has also looked at providing payroll service across local providers as a shared service, but this has not proved to be financially viable. The trust also provides a lead role in the delivery of IT services across the whole of Rotherham (including commissioners).

- Most of the trust's corporate service areas benchmark well against national averages including the Finance function, with a cost per £100m turnover of £654,187 in comparison to the national median of £670,512), and payroll function, with a cost per £100m of £93,802 in comparison to a national median cost of £94,230. However, the Human Resource function cost benchmarks higher than the national median with a cost per £100m turnover of £1,069,423 in comparison to national median of £874,010.

- The trust's Procurement Process Efficiency and Price Performance Score is 65.0, which places it in the second lowest (best) quartile when compared with a national upper and lower benchmark of 79.0 and 50.0 respectively. This means that the trust's procurement processes have been relatively efficient and have driven down costs on the things it buys.

- The trust's cost per WAU is £461 for its Supplies and Services against a national average of £375 which means that the overall cost is more expensive. This cost is also reflected in the Procurement cost per £100m turnover with a cost of £293,000 against a national median cost of £210,000. However, the trust delivered a CIP of £773,000 in 2017/18 in this area against a target of £516,000.

- There is evidence which supports a further improvement in this procurement position in 2018/19 through, for example, increased use of the purchase price index and benchmarking (PPIB) tool and the trust targeting analysis of its top 100 products to develop additional savings opportunities. The trust is also working more collaboratively across the South Yorkshire and Bassetlaw patch through procurement and have developed a draft plan showing how this will be achieved.

- The trust has a strong and well performing Estates and Facilities Management service. At £227 per square metre in 2016/17, the trust's estates and facilities costs benchmark significantly below the national average cost of £300 per square metre.

- At £71 per square metre, the trust's total backlog maintenance benchmarks in the lowest (best) quartile and significantly below the national median of £197. With regards to the backlog maintenance position, the trust confirmed that it has developed a 5-year plan to support backlog maintenance requirements which is supported by an annual conditional survey, environmental reports and regular space utilisation reports which helps inform the main areas of focus / in need. The trust has also developed a business case to support the replacement of their main energy infrastructure including their Combined Heat and Power plant which will deliver savings of £5m over 20 years.

- The trust also performs well in terms of its hard and soft facility management costs (hard FM cost of £56 in comparison to national median of £81 and soft FM cost of £108 in comparison to a national median cost of £129). A number of reasons in support of this position were shared by the Trust including, for example, positive income generation schemes (review of car parking strategy and layout leading to an additional £30,000 per month) and recently taking the management of residential accommodation back in house.

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

- The trust has a recent track record of increasing financial deficits, and failure to manage spend within planned levels or meet Control Total requirements. There is now evidence of improvement including a reduced underlying deficit, strengthened financial planning, developing use of costing and SLR information, planning and delivery of cost improvements, and improved cash management.

- The 2017/18 year-end position was a deficit of £23.0 million (9.51% of turnover). This compared to a planned deficit of £13.6 million and a Control Total requirement to break-even. As a result, the trust did not earn any non-recurrent sustainability funding.

- For 2018/19, the trust has submitted a plan of £20.3 million deficit (8.29% of turnover), and at month five it is on track to deliver this plan. The plan is not compliant with the Control Total requirement of £2.9 million surplus and therefore the trust will not earn any non-recurrent sustainability funding.

- The trust had an underlying deficit position of £25.1 million in 2017/18, reducing to £23.1 million during 2018/19 and by year-end the underlying deficit is planned to be £21.9m. It is on track to deliver this 13% improvement.

- The key driver in the 2017/18 financial deterioration were staff costs which exceeded the plan by £9.2 million. At month five of 2018/19, there is no significant pay variance and the trust cited the implementation of e-rostering, improved controls and the early identification and mitigation of risk as key factors in this improved performance. Examples included a clinical division having adverse pay variances in the first three months but taking action to return forecast spend to planned levels by month five.

- For 2018/19, the trust has set a plan of £9.7 million cost improvement (3.52% of expenditure before efficiencies), 17% greater than the previous year plan. The trust demonstrated that it had taken a range of actions to strengthen cost improvement programme governance and by month three had all saving schemes either implemented or with approved business cases ready for implementation. At the end of month 5, savings delivery was £0.9 million ahead of plan and the trust was forecasting savings would exceed the plan, and have a £13.3 million full-year recurrent impact.

- The trust has demonstrated the use of productivity data from the Model Hospital to set differential saving targets for clinical and corporate divisions of between 2.6% and 4.0% in

2018/19 reflecting the level of opportunity, enabling more realistic and stretching targets than applying a flat percentage target to all divisions. The fact that the trust is on plan with CIP is an indicator that this has had a positive impact.

- The trust has taken steps to address gaps in its clinical coding capacity and capability, including accuracy and timeliness of coding processes, staff training and holding divisions to account. This has resulted in a £3.0 million recurrent increase in income for the same level of activity.

- The trust is developing a Five Year Financial Plan to demonstrate how and when it will return to financial balance, for approval by the Board in December 2018. In developing the plan, the trust has engaged in a comprehensive internal process using Service Line Reporting and model hospital information, undertaken joint modelling of future activity and income levels with its main commissioner, and identified opportunities from wider system working.

- The trust has relatively low cash reserves and is not able to meet its financial obligations consistently and pay its staff and suppliers in the immediate term, as reflected by its capital service and liquidity metrics. The trust is reliant on short-term loans to maintain positive cash balances but has reduced its planned reliance from £25.6 million in 2017/18 to £20.2 million in 2018/19. This reduction is as a result of the improvement in the underlying position and better cash management.

- Improved cash management processes have had a positive impact on the Better Payment Practice Code, increasing compliance with payment terms from 13.8% of invoices received (18.6% of invoices by value) at the end of 2017/18 to 73.8% and 59.3% respectively after the first five months of 2018/19. The trust gave examples of where this has stopped previous issues with suppliers seeking to cease their supply of goods and services due to late payments.

- The trust demonstrated the use of service costing information in key corporate decisions, an example being the decision to withdraw from provision of loss-making wheelchair services.

- Spend on external consultants has reduced significantly from £1.1 million in 2017/18 to a planned spend of £0.4 million in 2018/19. This reflects a planned reduction in reliance on external consultants through the development of internal capacity and capability. For example, reducing reliance on external consultancy support to CIP through developing roles and skills of substantive staff to embed new CIP governance improvements. The positive impact of this is illustrated by the well-developed CIP programme in 2018/19.

Outstanding practice

- The trust has developed an innovative approach to improving theatre productivity through the development of a dashboard that enables accurate mapping of capacity to list start times and tracks every case. This method facilitates mapping theatre capacity to theatre list start time, supported by the dashboard which tracks every case. This has meant improved throughput in terms of activity but fundamentally patient experience benefits by providing accurate planned timeslots to patients of when their operation will take place. High level, weekly indicators are monitored through the dashboard which evidences – HR, pay, SLAM data, theatres activity and LOS. It has allowed the trust to drill down through to wards, department, budget holders, as well as informing decision making and areas to focus resources and to confirm and evaluate that interventions worked e.g. 40% reduction patient LOS over 21 days since 1 September 2018.

Areas for improvement

- The trust continues to have opportunities to improve overall pay costs per WAU, even taking into account the impact the provision of community services has on the current benchmarking data. The actions already taken, including overseas medical recruitment to reduce the requirement for high agency staff spend, should support a positive direction of travel on this key area of resource management.

- The trust is currently in a transition period in relation to job planning for medical staff with a need for better alignment between these and the organisation's needs and priorities.

- The trusts procurement costs per £100m are an area where they benchmark adversely as an outlier and the steps already taken on this area, including material cost improvements in 2017/18, should support this overall position improving.

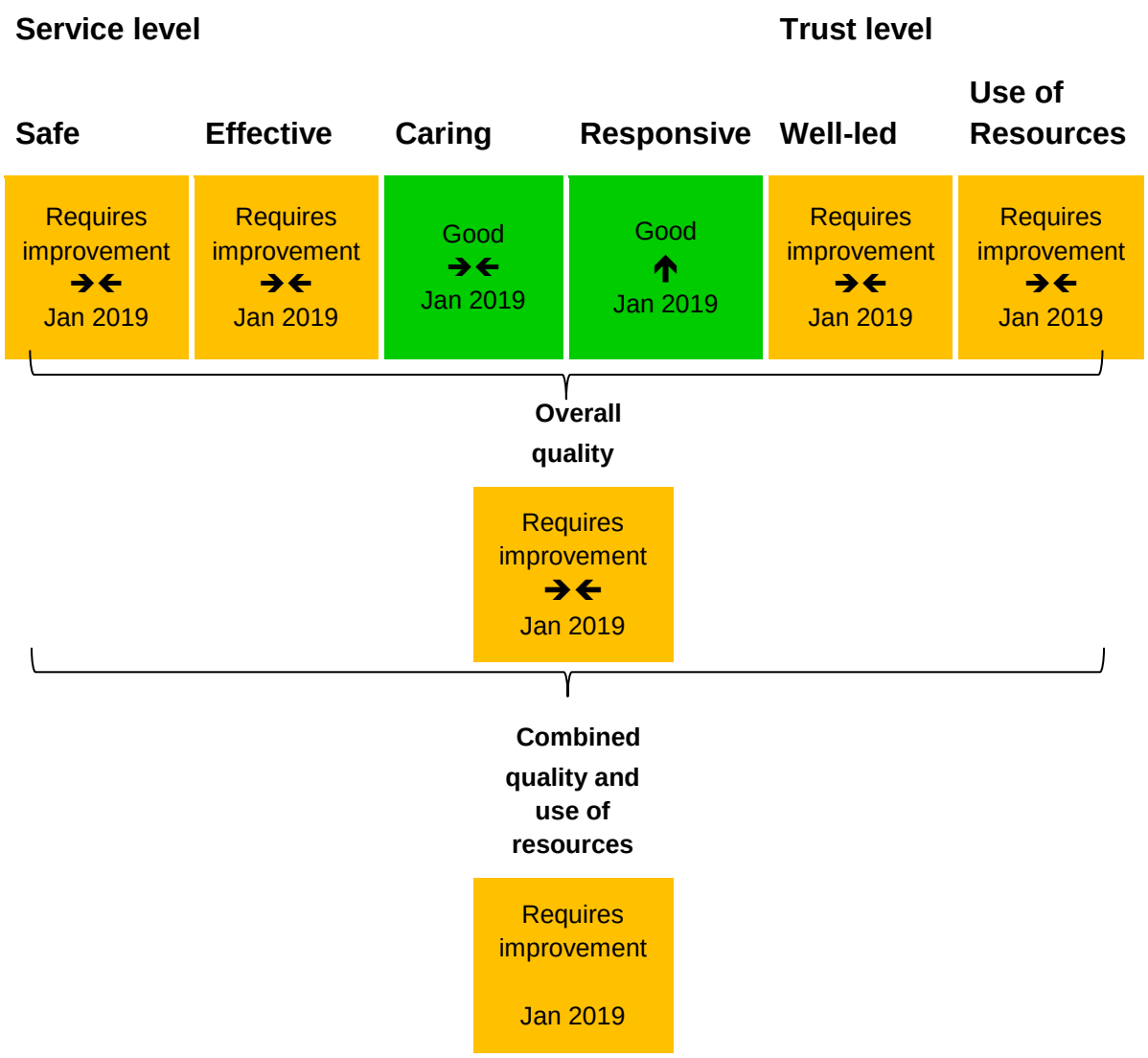
Ratings tables

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.