University Hospitals of North Midlands NHS trust

Use of Resources assessment report

Newcastle Road,
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Staffordshire
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Date of publication:
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This report describes our judgement of the Use of Resources and our combined rating for quality and resources for the NHS trust.

Ratings

Overall quality rating for this NHS trust	**Requires improvement**
Are services safe?	**Requires improvement**
Are services effective?	**Requires improvement**
Are services caring?	**Good**
Are services responsive?	**Requires improvement**
Are services well-led?	**Requires improvement**

Our overall quality rating combines our five NHS trust-level quality ratings of safe, effective, caring, responsive and well-led. These ratings are based on what we found when we inspected, and other information available to us. You can find information about these ratings in our inspection report for this NHS trust and in the related evidence appendix.

Are resources used productively?	**Requires improvement**

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

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

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

- We rated safe, effective, responsive and well led as requires improvement and caring as good.
- In rating the trust, we took into account the current ratings of services not inspected this time.
- We rated five of the core services we inspected at this inspection as requires improvement and three as good overall.
- We rated well-led for the trust overall as requires improvement.
- The overall rating for the trust's acute locations remained the same.
- The trust was rated requires improvement for use of resources. Full details of the assessment can be found on the following pages.

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Date of site visit:
9th July 2019

Date of publication:

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

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

How effectively is the NHS trust using its resources?	**Requires improvement**

How we carried out this assessment

The aim of Use of Resources assessments is to understand how effectively providers are using their resources to provide high quality, efficient and sustainable care for patients. The assessment team has, according to the published framework, examined the NHS trust's performance against a set of initial metrics alongside local intelligence from NHS Improvement's day-to-day interactions with the NHS trust, and the NHS 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 NHS trust on 9th July 2019 and met the NHS trust's executive team (including the chief executive), the chair and relevant senior management responsible for the areas under this assessment's KLOEs.

Findings

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

We rated the use of resources at this NHS trust as Requires Improvement. The NHS trust continues to realise productivity improvements in some areas, however there remains several unmet efficiency opportunities, within its services and workforce. The NHS trust did not deliver its plan in 2018/19, although it achieved a marginal improvement against the previous year. The NHS trust is planning for a substantial financial improvement in 2019/20, however, the full value of efficiency schemes required to achieve the plan had not been fully developed at the time of assessment.

- The NHS trust is making productivity improvements in clinical services. Pre-procedure bed days and Did Not Attend (DNA) rates have reduced, indicating better utilisation of beds and outpatient clinic capacity. Other improvements in clinical services have been achieved through implementation of Get It Right the First Time (GIRFT) recommendations, theatre utilisation and patient flow improvement initiatives.
- However, the NHS trust's performance against the clinical services productivity metrics suggests there remains variation in productivity between its sites, and overall scope for further improvement. The NHS trust is also not meeting the constitutional operational standards, with performance that is mostly below the national median.
- The NHS trust has successfully reduced expenditure on agency staffing and the overall use of temporary staffing. Agency spend is maintained below the ceiling set by NHS England and NHS Improvement. The NHS trust's staff retention and sickness absence rates compare well against other NHS trusts. However, overall pay costs for delivering activity are high, and although the NHS trust described several other initiatives to address this, the impact is yet to be realised against medical workforce expenditure.
- The NHS trust is working with partners to develop a collaborative approach to delivering pathology services, and improvements have also been achieved in pharmacy services, with implementation of seven-day services and increased prescribing capacity. The NHS trust has also achieved the required savings, as part of the top ten medicines programmes and continues to secure additional savings from switching to best value biosimilars. The NHS trust has established the use of reporting radiographers within Imaging services, supporting the cessation of outsourcing plain film reporting. However, outsourcing for other modalities such as CT and MRI remains significant.
- The procurement function has a cost of £0.6 million per £100 million turnover compared with a national median of £0.2million. Some of this is attributed to delivering procurement functions on behalf of other trusts locally, however even with this taken into account this remains a high cost area.
- However, the NHS trust is top of the league table for procurement process and price efficiency and is working with other NHS trusts to develop a larger procurement collaborative network. The NHS trust is also working collaboratively with other NHS trusts in respect to some Human Resources (HR) and Finance transactional services, and the costs of these functions compare well nationally.
- The cost of running the estate is high due to the PFI arrangements for one of its sites. However, when compared to other NHS trusts with PFI arrangements, the NHS trust is slightly above benchmark value largely due to very low hotel services costs (covering areas such as security, telecoms, sterile services and post) with most other cost metrics

below benchmark. The NHS trust has developed a strategic partnership with the PFI provider to secure better value from the arrangements.

- The NHS trust has an overall cost per weighted activity unit (WAU) of £3,781 compared with a national median of £3,486 for 2017/18 (the most recent data), placing the NHS trust in the highest cost quartile nationally. This means the NHS trust spends more per unit of activity than most other NHS trusts.
- The NHS trust did not agree its control total for 2018/19, and its performance was worse than plan. The NHS trust had a plan of £44.8 million deficit, against which it reported a deficit of £67.6 million (9.5% of turnover). The adverse position resulted from underperformance against cost improvement plans and workforce cost pressures. However, as a percentage of turnover, this performance was a marginal improvement from the previous year (10.25%).
- For 2019/20, the NHS trust agreed its control totals and is planning for a significantly improved position of £32 million deficit before PSF, (4.18% of turnover) and a breakeven position with the additional funding of £32 million including the FRF and MRET funding
- At the time of the assessment, the NHS trust was reporting a year to date positive variance and expects to deliver the control total for the year. However, this will require the delivery of £35 million of efficiencies , of which the NHS trust had identified £27 million.
- The NHS trust remains reliant on external consultancy firms to identify and develop cost improvement initiatives.

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

The NHS trust has achieved productivity improvements across its clinical services, however compared to other NHS trusts, its performance indicates that there remain several unmet efficiency opportunities.

- At the time of the assessment (July 2019), the NHS trust was not meeting the constitutional operational performance standards for 18- Week Referral to Treatment (RTT), Cancer and 4-hr Accident & Emergency (A&E), and performance was mostly below the national median.
- At 10.3%, the 30-day emergency readmission rate is significantly above the national median of 7.73% for the period January to March 2018/19. This indicates that patients are more likely to require additional medical treatment for the same condition at this NHS trust compared to other NHS trusts. Although the NHS trust's audit of readmissions identified that higher readmission rates are attributable to patients with complex needs, interventions are yet to but put in place.
- The DTOC rate has improved due implementation of patient flow improvement initiatives such as, long stay Wednesdays and weekly length of stay reviews, however at 4.4% in May 2019 it remains higher than the national benchmark of 3.5%. There is multiagency (health and social care) involvement in the discharge process, with the NHS trusted assessor model in place to facilitate this. However, variable provision of out of hospital continuing care by commissioners continues to contribute to delayed discharges.
- The NHS trust also has in place the SAFER patient flow bundle and Red to Green days initiatives, which it indicated have contributed to the reduction in the number of 'super-stranded' patients in 2018/19. Other initiatives that are contributing to improved patient flow include; increased bed capacity and the redesign of emergency pathways to include

a rapid assessment unit. The NHS trust attributes the reduction in unnecessary emergency admissions and 12- hr breaches in A&E, to the latter.

- The NHS trust achieved improvements in pre-procedure bed days, however performance remains slightly above the national median. On pre-procedure elective bed days, at 0.15, the NHS trust is performing slightly above (worse than) the national median of 0.12, and at 0.69, the NHS trust is performing just above (worse than) the median for pre-procedure non-elective bed days, which is 0.66.This means that there remains scope to further reduce the number of patients coming into hospital prior to elective treatment, and the time patients spend in hospital waiting for emergency procedures.
- The practice of admitting patient to secure elective beds (and reduce the risk of cancellation), and inefficiencies in emergency pathways are contributory factors to the higher pre-procedure bed days. To address this, the NHS trust has realigned pathways for non-complex bariatric surgery to increase the proportion of activity delivered at its County Hospital site, which it cited has positively impacted on pre-procedure elective bed days and reduced cancellations. There is ongoing work to improve emergency theatre utilisation.
- The Did Not Attend (DNA) rate is on an improving trend and marginally above the national median at 7.24% for period January to March 2019. The improvements are as a result of implementation of the two-way text system and centralised booking processes.
- The NHS trust has an ongoing theatre productivity improvement programme, and for 2018/19 reported a 3.5% improvement in theatre utilisation, with increased throughput resulting in additional income of £4 million. However, there remains variation in theatre utilisation between the two sites, and overall levels of cancellations have increased, which the NHS trust attributes to increased emergency activity.
- The NHS trust has actively engaged with the GIRFT programme for services across 8 specialities with a further three planned. GIRFT recommendations have been utilised to make changes to clinical practice and drive quality improvements for instance, a comprehensive perineal care bundle which has reduced the incidence of perineal tears, length of stay reductions across a range of vascular procedures and increased throughput of orthopaedics elective activity.

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

The NHS trust has a high pay bill and whilst it has several cost reduction initiatives in progress, impact on overall workforce costs is not evident. The NHS trust however demonstrated control of temporary staff use and nursing agency spend. Staff retention and sickness rates also benchmark better than most NHS trusts.

- For 2017/18, the NHS trust had an overall pay cost per WAU of £2,367 compared with a national median of £2,180, placing it in the highest cost quartile nationally. This means that it spends more on staff per unit of activity than most NHS trusts. The Cost per WAU for both Medical and nursing workforce benchmarks in the highest (worst) quartile.
- The NHS trust cited several initiatives, both ongoing and planned, aimed at reducing workforce expenditure. During 2018, the NHS trust undertook a workforce review with the aim of achieving a reduction of 250 staff through enhanced vacancy controls. This was underpinned by a quality impact assessment process. However, the impact on workforce costs has not been provided

- The NHS trust is implementing a programme to address the high medical staff spend with a focus on six key areas which include, productivity improvement (out-patients and theatres), better substantive workforce deployment and development of alternative roles in the workforce model. The programme is led at an executive level by the Medical director and the chief operating officer, with engagement of operational divisions. It was too early to assess the impact of this programme.
- Overall use of temporary staffing is on a reducing trend and better than most NHS trusts. Expenditure on agency staff (at 3.7% of total pay costs) has also reduced from previous years and remains below the ceiling set by NHS England and NHS improvement. The improvement is largely against nursing workforce, with nursing agency spend comprising 5% of the overall agency spend. Medical agency spend remains high and accounts for 78% of total agency spend. The NHS trust has identified that high vacancy rates at the County sites are a key contributor to medical agency spend. The NHS trust plans to address this through development of a clinical fellow programme which would attract candidates from overseas, and with a focus on hard to recruit specialities.
- 62% of job plans had been signed off at the time of the assessment, and there is a process in place to ensure consistency in job planning approach. However, the NHS trust recognises further work is required to align job plans with operational capacity requirements.
- The NHS trust is developing the use of new and innovative roles within its workforce model. This NHS trust currently uses Advanced Nurse practitioners to provide resilience within junior medical capacity in the emergency department. The NHS trust plans to introduce the use of nurse led outpatient clinics and nurse led endoscopy sessions, which would increase delivery capacity without impacting on income, given the current income contract arrangements. The NHS trust has established integrated therapy roles in its workforce model, which mainly support care management and trauma rehabilitation of frail and elderly patients. These include therapy technicians training through the apprenticeship programme.
- The NHS trust uses e-rostering to deploy its nursing staff, and there is a system in place to ensure that nurse staffing levels and skill mix are appropriate for the levels of patient acuity and dependency. KPIs are in place to monitor efficiency and effectiveness of the deployment processes. E-rostering is being rolled out to other workforce groups including AHPs and Junior medical staff.
- Staff retention compares well at 88.3% as of December 2018, placing the NHS trust in the upper (best) quartile. The NHS trust participated in the NHS Improvement Retention Programme, and now provides advice and support to other NHS organisations. The NHS trust achieved this through various initiatives including; the introduction of an internal transfer policy, implementation of structured career pathways for unregistered staff, and offering retire and return opportunities.
- Sickness absence rates are 4.81%, placing the NHS trust above (worse than) the national median. The NHS trust has invested in staff health and well-being initiatives, as well as education and training, to ensure policies are implemented appropriately. Additionally, support is being provided to managers in respect to addressing sickness absences, and the NHS trust is implementing an electronic system to further enhance sickness management. The NHS trust reported an improvement in sickness absence rates to 4.48% at March 2019.

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

The NHS trust is working with partners to develop a collaborative approach to delivering sustainable services in pathology. The NHS trust is progressing delivery of the nationally identified savings in the top ten medicines programme, with additional savings delivered this year. Although the NHS trust is utilising reporting radiographers well (within its imaging services) to deliver a sustainable plain film reporting service, outsourcing costs for other modalities remain high.

- The NHS trust's overall cost per test benchmarks in the second highest (worst) quartile nationally, however it is actively engaged in progressing pathology networks to meet the requirements of the national sustainability strategy for Pathology services. The network's Outline Business Case (OBC) has been approved.

- The work undertaken to reduce the cost per test over the last 12 months includes; skill mix reviews, whereby some activity previously undertaken by consultants is transferred to the AHP workforce (where appropriate) and reviewing outsourced tests (with network partners) to secure better prices and repatriate activity where possible. The NHS trust is also working to secure more value from consumable contracts and implementing demand management initiatives with the support of a clinical immunologist. However, the NHS trust has not demonstrated the financial impact of these initiatives.

- The NHS trust is yet to implement improvements that would benefit cancer pathways, however a pilot has been undertaken which demonstrated a positive impact on reporting times. The 'purple bag' system (as a pilot for the colorectal pathway) fast-tracks cancer samples. and the NHS trust demonstrated the impact of improvements on reporting turnaround times, with 96% of these samples reported in 7 days compared to an average of 86.8% for all urgent tests.

- The NHS trust has a well-established advanced practitioner workforce in radiography providing additional reporting capacity, which contributed to the NHS trust ceasing the outsourcing of Plain X-ray reporting in 2018/19. The NHS trust has developed an in-house training scheme to provide succession plans for this workforce. However, the NHS trust still outsources a significant amount of reporting in other modalities, due to capacity constraints across CT and MRI, and the spend has increased over the last financial year.

- The NHS trust's Pharmacy staff and Medicines cost per WAU is just above the national median and in the third highest cost quartile. As part of the Top Ten Medicines programme, the NHS trust delivered £1.7 million of the nationally identified savings opportunities in 2017/18, which was just below the upper benchmark. The NHS trust demonstrated ongoing implementation of best value biosimilar switching opportunities across a range of medicines, achieving a further savings of £2.04 million in 2018/19 and £0.6 million as at June 2019.

- The NHS trust was successful in securing funding towards procurement of an Electronic Prescribing and Medicines Administration (EPMA) system and is in early process of scoping the programme implementation.

- The NHS trust has invested in prescribing pharmacists and technicians to support patient flow and medicines optimisation. There is a 7-day pharmacist support service to the wards and admission areas, and pharmacists deliver outpatient activity for some specialities. The NHS trust has established pharmacy 'hubs' with up to 50% of medicines dispensed from these hubs, which has supported a reduction in the turnaround times for inpatient drugs.

- The NHS trust has started working with a neighbouring NHS trust on a procurement collaborative to improve buying power and drive down cost of medicines. In addition, the NHS trust together with other NHS trusts in the west midlands, have jointly funded a medicines optimisation pharmacist to support achievement of procurement benefits.

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

The NHS trust's non-pay costs are high with PFI costs with the main contributor, however the NHS trust is working with the PFI provider to secure more value from the arrangements. The cost of Finance and HR compare well nationally, and there is evidence of collaborative working to secure benefits of scale. Procurement process are relatively efficient, and the NHS trust is expanding its collaborative arrangements with another NHS trust, however the cost of the function remains high.

- For 2017/18, the NHS trust had an overall non-pay cost per WAU of £1,414 compared with a national median of £1,307, placing it in the second highest cost quartile nationally. Establishment costs are a key contributor to the high non-pay cost of delivering activity.
- The costs of running the Finance and Human Resources (HR) departments are lower than the national median, with HR benchmarking in the lowest quartile. Finance function costs are £0.6 million per £100 million of turnover compared to a median of £0.7 million, and HR function costs are £0.6 million per £100 million of turnover, compared to £0.9 million.
- The HR function's process efficiency metrics such as, average time to hire for both medical and non-medical staff, indicate the function is running efficiently. In addition, the HR function has a continuous process of making improvements, which are informed by customer surveys. The NHS trust is also working in collaboration with other NHS trusts in respect to delivery of Payroll, financial and legal services.
- The NHS trust is at the top of the procurement league table, with a Procurement Process Efficiency and Price Performance Score of 100, which indicates its procurement processes are relatively efficient. The NHS trust is also performing well for percentage variance for top 100 products, benchmarking in second lowest (best) quartile. Percentage variance from median price and percentage variance from minimum price also are in lowest (best) quartile.
- The procurement function has a cost of £0.6 million per £100 million turnover compared with a national median of £0.2million. Although the NHS trust attributes some of this high cost to errors in data submissions (whereby the cost of services provided to other NHS functions were not adjusted for), the function costs remain higher than the national median after adjustments. The NHS trust has recently entered a procurement collaborative with neighbouring NHS trusts through which it expects to reduce procurement staffing costs.
- The procurement department holds a contract database which is managed for values and renewal dates. The procurement department engages with the divisions when contracts are up for renewal, making use of the NHS category towers and regional shared services to source better prices. For larger contracts the procurement department supports effective contract management processes.
- The NHS trust implemented an electronic approval form for requisitions to improve audit trail and increase compliance with the NHS trust's standing financial instructions, in respect to approvals of direct awards.

- At £505 per square metre in 2017/18, the NHS trust's estates and facilities costs benchmark significantly above the national benchmark of £330, with PFI finance costs as the main contributor to this position. However, when compared with other providers with PFI arrangements, the PFI finance cost at £282 per square metre is much closer to the benchmark of £273 per square metre. Most of remaining PFI cost metrics for areas such as energy, laundry, catering, cleaning and portering are all lower than the national benchmark.
- The PFI provider and NHS trust developed a strategic partnership which aims to secure best value the arrangements, and this has received national recognition. The NHS trust robustly manages its PFI contract, and the estates and facilities team have been working with their PFI partners to reduce cost and deliver required performance.
- The NHS trust has some initiatives in place to reduce estates and facilities costs, for instance, it has worked with their catering supplier to develop an electronic meal ordering system to enable meal ordering on the day, improve patient experience and reduce waste. They have also worked with the PFI providers to introduce smart lighting to reduce energy costs
- The NHS trust acknowledges it has land and property that is excess to requirements, and is working with the local authority, other NHS organisations and private developers, to explore alternative income generating opportunities for its use. The NHS trust is also in the process of disposing excess land and properties with high levels of maintenance backlog.

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

The NHS trust did not achieve its financial plan in 2018/19 mainly due to underperformance against its cost improvement plan and workforce cost pressures. The NHS trust is planning for an improved financial position in 2019/20 and was forecasting delivery of plan at the time of the assessment. However, it has not yet identified the full value of efficiency schemes required to deliver the plan. The NHS trust remains routinely reliant on external consultancies to develop efficiency initiatives.

- For 2018/19, the NHS trust did not agree its control total of £8.5 million deficit (excluding PSF). The NHS trust had a plan of £44.8 million deficit, against which it reported a deficit of £67.6 million (9.5% of turnover). The adverse position resulted from underperformance against cost improvement plans and workforce cost pressures. However, the reported position was a marginal improvement from the previous year, as a percentage of turnover (10.25%).
- For 2019/20, the NHS trust agreed its control totals of £32.2 million deficit before PSF, FRF and MRET (4.18% of turnover) and a breakeven position with the additional funding. At the time of the assessment, the NHS trust was reporting a favourable year to date position of £7.8 million deficit compared to a plan £11.2 million deficit and expects to deliver the control total for the year which will require a £35 million efficiency achievement.
- The NHS trust did not achieve the efficiency target for 2018/19, reporting delivery of £52.9 million (6.4% of expenditure) against a plan of £62.5 million (7.6% of expenditure). For 2019/20, the NHS trust is planning to deliver a £40 million efficiency target (which includes £5 million contingency), and at the time of the assessment, it had developed schemes to a value of 27.1 million (57% recurrent). The NHS trust expects to cover the gap mainly through income improvement later in the year.

- The NHS trust assessed its underlying deficit position as £95.1 million, with the drivers being largely within its control, for instance operational inefficiencies and income recovery. Other contributory factors over which the NHS trust has limited control include, increase in non-elective activity (which attracts relatively lower tariffs) and legacy PFI costs. The NHS trust expects to reduce the underlying deficit to £60.7 million in 2019/20, mainly through income improvements.
- Due to the historical deficit position, the NHS trust is reliant on additional cash support in the interim to consistently meet its financial obligations and maintain its positive cash balance. The NHS trust revenue borrowing as at March 2019 was £157 million, and at the time of the assessment valid invoices paid within 30 days were 90.7% by number and 91.9% by value, which is below the 95% target.
- The NHS trust has developed service line reporting and provided evidence to demonstrate the use of benchmarking, costing and service line performance data, to identify productivity improvement opportunities which contributed to the 2018/19 efficiency programme. The NHS trust however has not demonstrated regular use of service line reporting to monitor financial performance.
- The NHS trust marginally underperformed against its income plan in 2018/19. The income contract agreed with commissioners for 2019/20 supports the planned improvement in the NHS trust's financial position, and limits exposure to income volatility resulting from variability in activity performance. The NHS trust does not have any material commercial income streams.
- The NHS trust has been reliant on management consultants largely to support with development of improvement initiatives. The spend on external consultancy support in 2018/19 was £3.7 million (0.5% operating expenditure). For 2019/20, the NHS trust has commissioned external consultancy to support with identification and development of schemes to cover the £13 million efficiency gap.

Outstanding practice

None Identified

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS trust should continue working to ensure optimisation of its substantive medical workforce, improve recruitment rates and reduce reliance on agency staff.
- This NHS trust should continue working to achieve further efficiencies from collaborative working with partners in its clinical and support services.
- The NHS trust should reduce the high cost of delivering imaging services and continue working towards improved pathway performance for urgent services.
- The NHS trust should continue focusing on building internal capacity and capability to deliver NHS trust wide workforce and service productivity improvements.
- The NHS trust should ensure that the improvements made to care pathways result in achieving better performance against operational standards.

- The NHS trust should work towards securing the efficiency opportunities within soft facilities management.
- The NHS trust should ensure existing cost improvement initiatives achieve the expected reduction of its expenditure run-rate and overall cost base.
- The NHS trust should continue working to secure opportunities through use of technology, including process automation and implementation of improved information systems in pathology, and progress implementation of the EMPA system

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.

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 NHS 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 NHS 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 NHS trust boards, governing bodies and chief executives of NHS 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 NHS trust save costs on unconfirmed appointments and increase system efficiency.
Distance from financial plan	This metric measures the variance between the NHS trust's annual financial plan and its actual performance. NHS 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 NHS 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 NHS 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 NHS 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 NHS trust's HR department for each £100 million of NHS trust turnover. A low value is preferable to a high value but

cost per £100 million turnover	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 NHS 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 NHS 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 NHS trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the NHS trust spends less per standardised unit of activity than other NHS trusts. This allows NHS 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 NHS 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 NHS trust cost to produce one WAU across all areas of clinical activity. A lower than average figure is preferable as it suggests the NHS trust spends less on staff per standardised unit of activity than other NHS trusts. This allows NHS trusts to investigate why their pay is higher or lower than national peers.
Peer group	Peer group is defined by the NHS 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 NHS 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 NHS trusts (the performance element). A high score indicates that the procurement function of the NHS trust is efficient and is performing well in securing the best prices.
Sickness absence	High levels of staff sickness absence can have a negative impact on organisational performance and productivity. Organisations should aim to reduce the number of days lost through sickness absence over time.
Single Oversight Framework (SOF)	The Single Oversight Framework (SOF) sets out how NHS Improvement oversees NHS trusts and NHS foundation NHS trusts, using a consistent approach. It helps NHS Improvement to determine the type and level of support that NHS trusts need to meet the requirements in the Framework.
Service line reporting (SLR)	SLR brings together the income generated by services and the costs associated with providing that service to patients for each operational unit. Management of service lines enables NHS 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 NHS trust or directorate level.
Supporting Professional Activities (SPA)	Activities that underpin direct clinical care, such as training, medical education, continuing professional development, formal teaching, audit, job planning, appraisal, research, clinical management and local clinical governance activities.
Sustainability and Transformation Fund (STF)	The Sustainability and Transformation Fund provides funding to support and incentivise the sustainable provision of efficient, effective and economic NHS services based on financial and operational performance.
Staff retention rate	This metric considers the stability of the workforce. Some turnover in an organisation is acceptable and healthy, but a high level can have a negative impact on organisational performance (eg through loss of capacity, skills and knowledge). In most circumstances organisations should seek to reduce the percentage of leavers over time.
Top Ten Medicines	Top Ten Medicines, linked with the Medicines Value Programme, sets NHS 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 NHS trusts' %

	achievement against these targets. NHS 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.