The Dudley Group NHS Foundation NHS trust

Use of Resources assessment report

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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?	**Inadequate**
Are services effective?	**Good**
Are services caring?	**Good**
Are services responsive?	**Requires improvement**
Are services well-led?	**Requires improvement**

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

Are resources used productively?	**Requires improvement**

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

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

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

Use of Resources assessment and rating

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

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

Combined rating for Quality and Use of Resources

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

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

The Dudley Group NHS Foundation trust

Use of Resources assessment report

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14th January 2019

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11 July 2019

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 14th January 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 compares well across a range of clinical and support services productivity metrics and there is evidence of continuous improvement. However, the NHS trust continues to have key workforce challenges with high levels of sickness absences and use of temporary staffing. This contributed to a deterioration in the NHS trust's financial performance in 2017/18, and though the NHS trust is on track to achieve an improved financial position this year, it will not deliver the control total.

- For 2017/18 the NHS trust did not achieve its control total of £2.5 million surplus (before STF) but reported a deficit of £10.5 million, which was worse than the previous year's deficit of £0.3 million. Under performance against its income and Cost Improvement Programme (CIP) targets, and high agency costs were the main reason for this deterioration. In 2018/19 the NHS trust is on track to deliver an improved financial position of £8.8 million deficit before STF but will not achieve the control total (£0.8 million deficit) mainly due to higher than planned levels of agency spend. However, despite the deficit position, the NHS trust has been able to meet its financial obligations, pay suppliers promptly and maintain a positive cash balance without interim cash support.
- Historically agency spend at the NHS trust has been proportionately higher than most other NHS trusts, and although in 2017/18 it managed to achieve a reduction, this improvement trend has not been sustained in 2018/19. This is because the NHS trust created over 100 FTE additional nursing posts in response to CQC inspection concerns, and has to continue relying on temporary staffing to cover the additional nursing vacancies whilst recruitment is being undertaken. The NHS trust continues to spend relatively higher than most NHS trusts on agency staffing to deliver activity. Agency spend was more than 50% above the ceiling set by NHS Improvement for 2017/18.
- Productivity across most of the clinical services areas compares well, and there have been further improvements made such as reduction in delayed transfers of care and missed clinic appointments, which indicate improved patient flow and utilisation of clinic capacity respectively. The NHS trust does not routinely admit patients before their surgery and has one of the highest day case rates in the country, which also indicates better utilisation of its elective bed capacity. The NHS trust is meeting most of the constitutional operational standards except for the 4-hr Accident and Emergency standard.
- The NHS trust is working collaboratively with other NHS trusts to deliver sustainable clinical and support services in areas such as pathology services, out of hour interventional radiology, vascular surgery and procurement. Procurement scores indicate that the NHS trust's procurement processes are better than most NHS trusts in driving down cost.
- There are opportunities to make further productivity improvements in imaging services where outsourcing, agency costs and missed clinic appointments are higher than most NHS trusts. Improvements in data quality would also enable the NHS trust to identify whether there are opportunities to reduce the currently higher than expected levels of imaging activity, to release capacity.

- The cost of running the estate is relatively higher than most other NHS trusts mainly due to the Private Finance Initiative arrangements at the Russell Hospital site. However, the NHS trust has demonstrated robust management of the contract and is actively working to drive down the cost. The NHS trust has worked with partners in STP to develop a strong estates strategy, which was a key contributor for its successful capital bid for the refurbishment of its Emergency and Urgent Care estate.

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

Productivity across most of the clinical service areas compares well and there is evidence of continuous improvement. Further work is required to address the inefficiencies creating delays in the discharge processes

- At the time of the assessment and based on October 2018 data, the NHS trust was meeting most of the constitutional operational standards. The NHS trust was not meeting the 4-hour Accident and Emergency standard. However, its performance had improved over the assessment period and was above national average.
- Patients being treated at the NHS trust are less likely to require additional medical treatment for the same condition when compared with other NHS trusts. For the period July 2018 to September 2018, the emergency readmission rate at 7.74%, is an improvement on the previous year (8.48%) and is below the national median of 9.06%. The reduction in readmission rate has been partly due to re-categorisation of activity from ambulatory emergency care admissions to outpatient attendances. There has also been an increased focus on quality in emergency care pathways, which has led to improvements such as increased access to senior clinical decision makers. This ensures that appropriate discharge decisions are made and supports prompter development of care plans. Over the last twelve months the NHS trust has been working with partners across the system, as part of the Enhanced Health in Care Homes project, to ensure that appropriate support is provided to nursing homes, such as education and training, to reduce admissions from these care settings.
- There has been a significant reduction in the Delayed Transfers of Care (DTOC) rate over the last twelve months, which is now below the national benchmark value of 3.5%. The improvement has been achieved largely through collaborative work across the local health economy, including the use of an NHS trusted assessor model, regular integrated discharge meetings and commissioning of non-weight bearing bed capacity in the community.
- However, there remains opportunity to further improve patient flow as there are still unnecessary delays in the discharge of medically fit patients, who are yet to be classified as DTOCs. The delays are due to constraints in the external discharge to assess capacity (which means that patients are still waiting for continuing care assessments in the hospital), internal delays in preparation of medicines to take out (TTO) and mediboxes. Internal delays are largely due to the inefficiencies created by the manual processes of writing and communicating prescriptions
- The Emergency Care Intensive Support Team (ECIST) is working with the NHS trust to ensure more robust internal discharge processes, including the introduction of ‘Long Stay Wednesdays’, which is an approach used by most NHS trusts to ensure prompt and safe discharge of patients.
- Fewer patients are coming into hospital prior to planned treatments when compared to most other hospitals in England, as indicated by the pre-procedure bed days for elective care, which benchmark well nationally. Performance for period July to September 2018 was 0.09 days compared to the national median of 0.12. The NHS trust attributes this

performance to a practice of largely admitting patients on the day of surgery, except for Vascular surgery patients who come from out of area. The NHS trust has a dedicated admission lounge for this purpose with facilities to enhance patient experience.

- The NHS trust is above the national median for the pre-procedure non-elective bed days. Data validation work is being undertaken to establish accuracy of this position.
- The Day Case rate for the NHS trust has improved significantly compared previous years and at 84.2% (for July 2018 to September 2018) is in the best performing quartile nationally. The NHS trust is continuing to make further improvements, for instance in 2018, patients who do not have social support are admitted to a nursing home bed for post-operative care.
- The Did Not Attend (DNA) rate for the NHS trust at 6.2% for the period July 2018 to September 2018 benchmarks in the upper (best) quartile nationally (national median is 7.4%). There has been an improving trend since December 2017, mainly due to the implementation of a two-way text reminder service.
- There is strong clinical engagement in relation to the 'Getting It Right First Time' process, which has enabled the NHS trust to identify areas for productivity improvements. Examples of quantified benefits to date include reduced Length of Stay for patients who have undergone hip replacement procedures, procurement savings from rationalisation of hip prostheses and increased income in ophthalmology.

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

The NHS trust has high levels of temporary staffing used to cover vacancies and sickness absences and this is driving agency spend. Overall retention rates have recently deteriorated. However, the NHS trust has been able to significantly reduce turnover rates in the emergency department.

- For 2017/18 the NHS trust's overall pay cost per WAU of £2,144 was below the national median of £2,180, however the breakdown by staff category shows that the cost per WAU for nursing and agency workforce are above the national median and in the second highest cost quartile.
- Nursing and midwifery staff cost per WAU for 2017/18 is £789 compared to a national median of £710. The Pay cost per full time equivalent (FTE) for this category and the NHS trust's care hours per patient day are also above the national median. The nursing cost is likely to further increase as the NHS trust has invested in an additional 107 FTE qualified nursing posts in 2018/19, following a safer staffing review of its nursing establishment. The six-monthly safer staffing review is essential to assure NHS trust boards that the number and skill mix of the workforce can deliver the required quality care and keep patients safe from avoidable harm.
- The NHS trust currently uses e-rostering software to deploy its nursing workforce and has in place some of the monitoring processes that we would expect to deliver an effective and efficient deployment process. However, our review of the e-rostering performance indicators, shows that further improvements are required to optimise the benefits from the e-rostering process for instance, more forward planning of nursing rosters to support better use of its substantive workforce and clarity on ward establishments. Electronic collation of patient acuity and dependency data would also provide more accurate monitoring information and improve effectiveness of staff deployment. The NHS trust recognises this and has procured an additional module to facilitate the improvement.

- The agency cost per WAU for 2017/18 at £117 is above the national median of £107. The NHS trust achieved a reduction in overall agency spend for 2017/18 compared to the previous year but has not been able to achieve further overall reductions in 2018/19. The spend remains more than 50% above the agency ceiling set by NHS Improvement, with the main drivers being vacancy and sickness absence cover. The recent investments in the nursing establishments increased the number of vacancies to be covered.
- There are interventions in place to address the high agency spend. The NHS trust has strengthened its controls for agency booking and is working to proportionately increase the bank staff fill rates. The NHS trust has been successful in eliminating use of care support agency workers, with gaps mainly covered by bank staff, but more work is required to proportionally increase bank fill rates for registered nursing and medical staff. Other actions to control agency include measures to address sickness absences, improving recruitment and retention rates, and working collaboratively with neighbouring NHS trusts to streamline the number of agencies and ensure consistency in agency pricing.
- The sickness absence rate for September 2018 at 4.84% is above the national median of 4.0%. The rate has fluctuated over the assessment period but remains consistently above the national median with an increasing trend since May 2018. The NHS trust cited stress and mental health factors as the driver for the increasing trend. The NHS trust is improving its management of sickness absences through provision of more effective employee support programmes, better reporting of sickness absences and use of Human Resource Business Partners to support management in addressing sickness absences. The NHS trust's reported sickness absence rate for November 2018 shows a marginal improvement.
- Vacancy rates for nursing (15.20%) and medical staffing workforce (11.42%) remain above national averages. The nursing workforce vacancy rates had previously been reduced from 8.92% in August 2017 to 6.32% in March 2018, however the additional investment in the nursing establishment in April 2018 resulted in an immediate increase to 14.91%. The NHS trust's nursing recruitment strategy to date has entailed the use of recruitment events, rolling adverts and social media platforms to increase candidate reach. The NHS trust recognises that more needs to be done to significantly reduce the high nursing vacancy levels and is looking to introduce additional initiatives such as international recruitment, developing the NHS trust employer brand, offering opportunities for staff rotation and developing a career route to qualified nurses for nurse associates.
- Junior doctor vacancies are the key driver for the fluctuating and higher than national average medical vacancy rates. Initiatives taken to reduce rota gaps and agency spend include investment in the medical training initiative (MTI) and the certificate of eligibility for specialist registration (CESR) programme for hard to recruit areas such as geriatrics. The MTI involves overseas doctors working and training at the NHS trust for two years, and the CESR programme allows for middle grade doctors to get a specialist qualification, which is a route to eligibility for consultant jobs.
- Previously, the overall staff retention rate has been consistently better than the national median, however there has been a deterioration since July 2018 and the rate for September 2018 at 85.8% is the same as the national median. Recent initiatives undertaken to improve retention include: appointment of a staff engagement lead, working with a third party to address areas of poor engagement and developing a culture of feedback across the NHS trust. There has also been additional focus on the emergency department, and the NHS trust demonstrated a significant improvement in its turnover rates from 15.28% in January 2018 to 1.65% in December 2018.

- The NHS trust has made some progress with embedding alternative roles within its workforce to reduce agency costs, improve patient flow, reduce waiting times and build resilience within medical teams. Examples of the new roles established include: paramedics in the emergency department to support a quicker triage process; physician associates to reduce administrative burden on medical staff; and clinical nurse specialists to provide resilience within medical teams.
- 60% of consultants have an agreed job plan, with the remainder either in discussion or waiting for consultant agreement. Evidence provided by the NHS trust shows how agreed sessions are distributed across clinics, theatres and wards but does not demonstrate coverage of service requirements or link to operational plans. The NHS trust currently uses a manual process for medical workforce deployment which presents specific challenges regarding effective management of annual leave in the rota plan.

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

The NHS trust is working collaboratively with partners to deliver sustainable services in pathology and out hours interventional radiology. The cost of pharmacy services is relatively lower than most NHS trusts, however there are opportunities to reduce the spend on high cost medicines. The NHS trust's cost per report in imaging is relatively low and it is meeting the national operational standard for the 6-week diagnostics waits, however, it has high agency and outsourcing costs.

- The overall cost per test in pathology benchmarks in the lowest quartile nationally, mainly due to a very low cost per test in blood sciences and microbiology.
- The NHS trust has recently transferred its pathology services to the Black Country Pathology Service Network. This development is in line with the national strategy for delivering sustainable Pathology services. Early benefits of this collaboration include the successful recruitment to four Histopathology consultants' vacancies, which is a 'hard to recruit' area. This is expected to deliver savings on agency cost in the future.
- The NHS trust's pharmacy staff and medicines cost per WAU at £358 benchmarks slightly below the national median of £359. The medicines cost per WAU however at £311 benchmarks above the national median of £309, which position is mainly driven by the high cost drugs.
- The NHS trust has a Hospital Pharmacy Transformation Plan that includes productivity improvement initiatives, which aim to: drive medicines optimisation; increase pharmacy presence on wards; reduce wastage; expand the homecare services and maximise procurement opportunities. As a result of some of this work, the NHS trust achieved pharmacy and medicines savings of £0.59 million for 2017/18. The NHS trust has prescribing pharmacists on some wards and pharmacy technicians in the Acute Medical Unit, who support patient flow.
- As part of the 'Top Ten' Medicines programme, the NHS trust is making good progress in delivering the nationally identified saving opportunities from switching to best value biosimilars and has achieved 116% of the savings target against a national median of 100%. The NHS trust has specific patient level detail on issues where biosimilar switchover has not been possible.
- Eprescribing is used in Chemotherapy and the Emergency department. The NHS trust has procured a NHS trust wide e-prescribing module from its current EPR vendor and expects to complete its implementation by 31 March 2019.
- The overall cost per report in imaging services is below the national median for 2017/18, and the NHS trust is delivering the 6-week diagnostic target with a performance of

99.10% against a standard of 99% (November 2018). The NHS trust has recently replaced its old MRI equipment and is working collaboratively with neighbouring NHS trusts to deliver a sustainable model for out of hours interventional radiology services.

- Outsourcing of reporting and agency costs are relatively higher than most NHS trusts. The key drivers for this being vacancy cover and the drive to reduce reporting backlogs, in particular the CT backlog. Plain X-ray reporting backlogs remain above the national median and although the NHS trust has reporting radiographers who can undertake this work, they currently must focus on clinical activity due the high vacancy levels. DNAs for non-obstetric ultrasound, CT and plain x-ray appointments are higher than most NHS trusts nationally. The two-way text messaging system that delivered improvements in outpatients is yet to be implemented in radiology
- Our assessment also identified that the activity levels for Obstetric Ultrasound, Fluoroscopy and Mammography (symptomatic) services are higher than what we would expect for this NHS trust, which may indicate that the NHS trust is undertaking unnecessary exams. In addition, the volume of imaging activity that does not receive a radiological report (classified as auto reported or not reported) is also higher than the national median, which could potentially increase the risk of missed diagnoses. The NHS trust attributes the high activity levels to errors in their data return, however we believe that this is an area the NHS trust should continue to review.

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

The cost of running the estate is high due to the PFI arrangements, however the NHS trust is robustly managing the PFI contract and has been able to drive down its cost. Corporate services costs compare well and procurement processes at the NHS trust are effective in driving down prices and cost.

- For 2017/18 the NHS trust had an overall non-pay cost per WAU of £1,315, compared to a national median of £1,307, placing it in the second highest cost quartile nationally. The NHS trust's premises and establishment costs per WAU is the main contributor to this high cost. This is because the hard and soft facilities management services are provided through a PFI contract. This has resulted in the relatively high estates and facilities costs, which, at £462 per square metre in 2017/18, is above the national benchmark of £344 and in the highest cost quartile.
- The NHS trust has, however, demonstrated that it is actively working to drive down costs through robust management of the PFI contract and uses benchmarking data to identify opportunities for further cost improvement. Since 2013/14, the NHS trust has achieved savings of £9.9 million against its PFI contract cost, with £4.5 million of this achieved on a non-recurrent basis and largely relates to contract deductions. Through use of benchmarking information, the NHS trust identified opportunities for savings against the EBME services within the PFI contract. These are now provided in-house and have resulted in part year savings of £0.30 million for 2018/19.
- The NHS trust has worked collaboratively with STP partners to develop a strong estates strategy which has contributed to its successful bid for capital funds of £21.6 million for refurbishment of its Emergency and Urgent Care facilities.
- For 2017/18, the cost of running the Finance and Human Resources departments benchmarks in the lowest cost quartile nationally. Programme management costs, however, are higher than most NHS trusts, and the NHS trust attributes this to management consultancy support work required to develop the transformational cost improvement work in theatres and outpatients.

- The relative cost of the procurement function is in the lowest cost quartile and the NHS trust's procurement processes are relatively efficient in driving down costs of purchases. This is reflected in the NHS trust's Procurement Process Efficiency and Price Performance Score of 65, which places it above the national median of 57 and in the second highest quartile. The NHS trust is 47 out of 136 on the procurement league table.
- The NHS trust is working collaboratively with two other neighbouring NHS trusts, as part of the black country procurement alliance, to share costs of running the services, leverage bulk buying power to gain price discounts and investment in procurement expertise to support further improvement in procurement processes.

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

The NHS trust's financial position deteriorated in 2017/18 mainly due to under performance against CIP and income plans, and rising agency spend. Whilst it has improved the income performance in 2018/19 and is on track to deliver an improved financial position, it will not achieve the control total due to the continued agency staffing cost pressures. The NHS trust, however, has maintained a positive cash position and prompt payment of its suppliers without interim cash support.

- For 2017/18 the NHS trust did not achieve its control total of £2.5 million surplus excluding STF and £11.1 million surplus inclusive of STF (planned STF was £8.6 million). The NHS trust reported a deficit of £10.5 million excluding STF and £5.8 million deficit including the STF payment of £4.7 million. This was worse than the reported position in the previous year (£0.3 million deficit before STF).
- A combination of factors contributed to this, including under achievement against income and CIP targets, and cost pressures arising mainly from use of agency staffing. The loss of income resulted from displacement of elective activity due to non-elective demand pressures, including the national request to cancel inpatient elective activity during the winter of 2017/18.
- The NHS trust is not on track to achieve its control total for 2018/19 but expects to deliver an improved position compared to the previous year. As at November 2018, the NHS trust was forecasting a deficit of £8.8 million against a plan of £0.8 million deficit before PSF. The main contributor to this position is the higher than expected pay bill which is being driven by premium agency costs.
- CIP delivery for 2018/19 has improved from the previous year with the forecast being 5.3% of turnover compared to 2.8% in the previous year. This is partly as a result of a stronger CIP governance structure and an improved income position. The NHS trust has also benefited from technical financial adjustments relating to revaluation of some of its Estate. The NHS trust has worked with external management consultants to develop further schemes that will be delivered over the next four years.
- The NHS trust's calculation of the underlying deficit position for 2017/18 was £27 million. A breakdown of this deficit was not provided by the NHS trust, and at the time of the assessment the NHS trust was still developing its recovery plan to financial balance. We believe that further work is required to understand the drivers of the underlying position, which would inform the NHS trust's financial recovery plans.
- The NHS trust is not reliant on additional cash support in the interim to consistently meet its financial obligations or maintain its positive cash balance, and despite a worsening cash position, it has maintained prompt payment of its suppliers.

- The NHS trust uses costing data to support strategic review of clinical services but due to software supplier changes, the NHS trust is not currently using service line reporting to monitor performance or support decision making.
- The NHS trust does not have any material commercial income streams, however it is actively exploring opportunities to maximise its NHS clinical income through improving utilisation of facilities such as theatres and improving quality of activity coding to support income billing.
- Expenditure on management consultants has increased in 2018/19 mainly due to the use of external consultancy support in developing transformation productivity programmes such as theatre utilisation improvements. As at December 2018/19 the cumulative spend was £2 million, which is 0.8% of total expenditure.

Areas for improvement

We have identified scope for improvement in the following areas:

- The NHS trust should work at pace to implement the additional nursing recruitment strategies which have been identified, in order to improve recruitment rates.
- Further work is required to optimise benefits from the e-rostering process.
- The NHS trust should continue working to develop a sustainable workforce model
- A continued focus on addressing the high agency spend is required.
- The retention rate has been reducing in recent months. Further focus is required to ensure that improvements achieved in emergency department are also realised in other areas.
- We identified the following areas for improvement in the imaging services;
    - reduce the high Did Not Attend Rates (DNA) rates,
    - reduce the high agency and outsourcing costs
    - improve quality of data returns in respect to imaging activity and costs to support a better understanding of how well the NHS trust compares with other NHS trusts, this area.

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.