

## **NHS is told to save £2.2bn by being more efficient**

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The NHS in England could save more than £2bn (€3bn; \$3.7bn) a year through better productivity and efficiency, says the Department of Health.

Tackling big variations in performance could unlock resources worth £2.2bn and improve care of patients at the same time, said the health minister Andy Burnham.

New indicators, which will be produced quarterly by the NHS, are designed to show how much each trust could save if it was performing as well as the best 25%. The indicators target a number of areas, including length of stay in hospital, efficiency of emergency admissions and day case procedures, number of preoperative bed days, prescribing of low cost statins, agency costs, staff turnover, and sickness absence.

“Enabling trusts to compare themselves with other organisations in this way gives local staff the opportunity to identify where they should be focusing their efforts to improve services,” said Mr Burnham.

Potential savings calculated from the figures for the first quarter of the financial year 2006-7 include £975m by reducing variation in length of hospital stays; £510m by reducing use of beds before operations; £348m by reducing emergency admissions; and £278m by reducing variation in outpatient referrals.

The biggest potential savings lie in discharging patients earlier, and the data show that several hospitals could save more than £10m each if they matched the performance of the top 25%. University Hospitals of Leicester NHS Trust is listed as having the biggest potential savings: £17.9m.

On reducing the number of wasted bed days, the indicator document says, “Admitting patients to hospital on a day prior to a booked procedure, in advance of a preoperative assessment or simply to carry out diagnostic tests wastes valuable hospital bed space and increases costs.” The biggest potential savings, £11.5m each, are recorded for the University Hospitals of Leicester and the Leeds Teaching Hospitals trusts.

Day case surgery indicators are based on performance in the 25 operations or procedures that the Audit Commission has said could be carried out as day cases. Overall, the top 25% of trusts carried out 77% of the 25 procedures as day cases. The Royal National Hospital for Rheumatic Diseases achieved a 100% rate, whereas the Christie Hospital, Manchester, recorded 13%.

The indicators show that the amount of low cost statins prescribed as a percentage of total statin prescribing varied considerably. The top performer was North Eastern Derbyshire Primary Care Trust, with 84%. At the other end of the scale Rochdale Primary Care Trust achieved 19.2%, meaning it could save £1.2m. The biggest potential savings are listed for Ashton, Leigh and Wigan Primary Care Trust: £2m.

Agency staff cost the NHS £1.3bn in 2004-5, or 4.2% of the overall staff spend. The indicators show that in the first quarter of 2006-7 the proportion spent by each trust on agency staff ranged from 0.2% at the Walton Centre for Neurology and Neurosurgery to 9.8% at Worcestershire Acute Hospitals NHS Trust.

The indicators show that staff turnover also varied greatly. A handful of trusts, including the Isle of Wight Healthcare NHS Trust, had virtually no turnover. The highest rate was recorded for East and North Hertfordshire NHS Trust: 47%. Staff absence rates also varied; the best staff attendance was found at Royal Liverpool and Broadgreen University Hospitals NHS Trust, Heatherwood and Wexham Park Hospitals NHS Trust, and the Ipswich Hospital NHS Trust. The hospital trusts with the worst rates were Bolton Hospitals, University Hospitals of Leicester, and the Walton Centre for Neurology and Neurosurgery.

The indicators also compared five elective surgical procedures—tonsillectomy, dilatation and curettage, hysterectomy, lower back surgery, and myringotomy—which the data show are carried out much more often in some areas than others. The potential savings from reducing numbers of procedures carried out range from zero in a small number of trusts to £0.8m in Torbay Care Trust.