

DECEMBER 2009

# HFMA AWARDS 2009



Healthcare  
Financial  
Management  
Association

[www.hfma.org.uk](http://www.hfma.org.uk)

## RAISE A GLASS: HINNIGAN TAKES DIRECTOR AWARD



HEALTHCARE FINANCE  
SUPPLEMENT

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# SPOTLIGHT ON THE BEST

The HFMA's immediate past chairman, Bill Shields, introduces another year of outstanding achievement

THE HFMA AWARDS celebrate excellence in finance departments, showcasing best practice and achievement in financial management and governance. This is important because, while the public sector ethos is as strong in finance departments as it is in frontline services, the crucial work of these teams is all too often overlooked.

The big steps forward in recent years – improving services, access and quality – have been built on the foundation of a strong and improving financial position. Finance professionals have played a significant part in this improvement process, raising their own standards and the standards of financial management generally – as practised by all NHS staff – across their organisations.

The awards also hope to highlight and spread best practice by showcasing the best of NHS finance. This will be more important than ever in the coming years as we move into more and more challenging times.



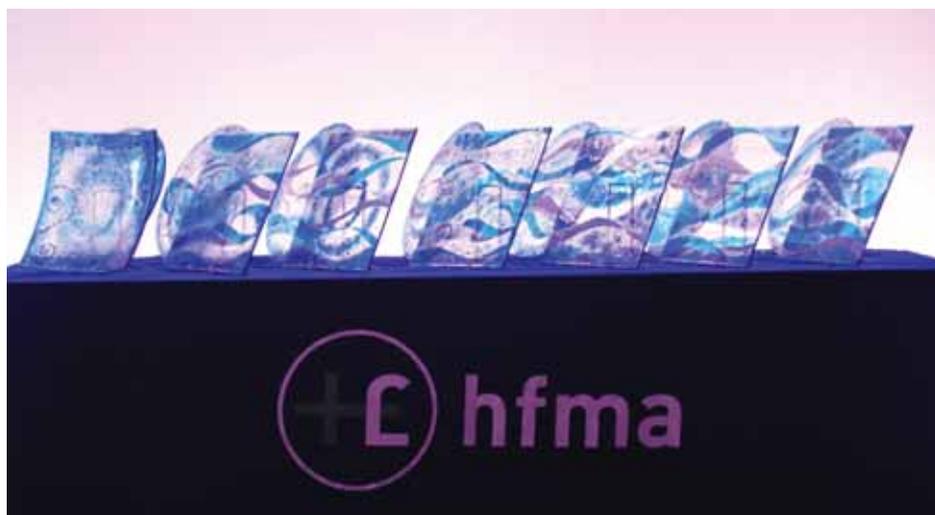
The wider economic climate means that future financial settlements for the NHS will be much tighter than in the last decade. But despite this, the demand for further improvement and enhanced quality will not disappear. Efficiency, productivity and innovation, built on a solid base of good governance, will be the key to success, and

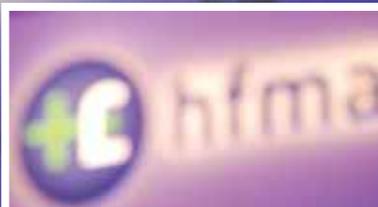
examples of best practice should be shared as widely as possible.

Now in its fifth year, the HFMA Awards programme recognises the work of finance teams and individuals across the UK. The awards cover the fundamental aspects of the finance team's role, including the production of accounts – made more challenging over the past year by ever faster close deadlines and the preparation for new accounting standards – governance, training and development as well as the vital area of efficiency.

Crucially, given the importance of spreading financial awareness outside finance departments, the awards also focus on the importance of engaging clinicians in financial management.

The HFMA is recognised as 'the voice of healthcare finance'. The awards ceremony at the HFMA annual conference is an opportunity for that voice to be heard. The event celebrates the contribution and success of finance teams across the UK before an audience of nearly 750 of their peers. I therefore commend these awards to you and applaud the winners' achievements. ■





More than 750 members of the healthcare finance community (above) attended the gala awards ceremony during the HFMA conference to celebrate excellence in financial management. Clockwise from top left: Mersey Care's Accounts Team of the Year, HFMA chief executive Mark Knight, and Finance Director of the Year Paul Hinnigan





Department of Health's David Flory and Public Sector Consultants' Stephen Prince join Bill Shields to commend Paul Hinnigan's efforts

# HINNIGAN ON TARGET AGAIN

HFMA FINANCE DIRECTOR of the Year Paul Hinnigan has a long established record of achieving financial targets, and his reputation for accuracy and approachability has gained the respect of board members and staff.

The NHS Blackburn with Darwen Primary Care Trust deputy chief executive and director of finance and information has been a passionate leader of the finance team since the PCT was set up nine years ago. He has consistently led the achievement of all financial targets – a rare feat for any NHS organisation over the past decade.

Mr Hinnigan said: 'I am proud to have won the award but it's more for the team behind me. They have got me here. So it's not just a personal award, it's an award for the team and also for the PCT. I am as pleased as punch.'

At board level, he is known for constructive

suggestions on all matters, not just those involving finance, and has extended his brief when needed.

As well as being director of finance, he was a successful acting chief executive of the PCT

over two years (pending a reconfiguration).

Mr Hinnigan has led the estates function, which has been at the forefront of developments in the private finance initiative. He played a leading role in the second local

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## WHAT THE JUDGES SAID

"Board members have complete confidence in the information provided to them and Paul always makes a broad contribution to the affairs of the trust. He has been personally committed to seeing through challenging contract negotiations with the local NHS trust"

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### Endorsed and sponsored by: Public Sector Consultants

■ **Winner** Paul Hinnigan, NHS Blackburn with Darwen Primary Care Trust

■ **Also shortlisted** Wendy Galbraith, Belfast Health and Social Services Trust; Claire Yarwood, NHS Salford; Tim Welch, Blackpool Fylde and Wyre Hospitals NHS Foundation Trust

improvement finance trust (LIFT) project to reach financial close along with a further major current LIFT project, the funding for which had to be changed at the last moment.

He has also contributed to the wider health economy. Although sometimes he has difficult messages to get across, Mr Hinnigan makes a constructive contribution to the debate on financial issues across the local health economy.

He has also been instrumental in developing radical initiatives with the local authority. These have included a £6m investment in a

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**“Paul has been the essential financial link in an organisation at the cutting edge of improving local health”**

**Nick Kennedy**

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comprehensive programme of free leisure for local people and plans to establish a care trust plus, which would bring together health and social care commissioning for adults and children across the borough.

He has helped conclude difficult contract negotiations with the local NHS trust and was the financial lead for the PCT input into East Lancashire Hospitals NHS Trust's secondary care redesign programme (known as 'Meeting patients needs').

Mr Hinnigan's success marks the first time a PCT finance director has scooped the prize in the three years since its inception. He said it was important the work of PCT finance staff was recognised.

'I have been a finance director for 16 years and have been hitting the targets for 16 years, but you take it as read – that's what you do. I expected the winner would be a finance director who had turned things around but it's

great to be recognised for achievements over a number of years.'

Judges were struck by the respect and admiration shown by colleagues for Mr Hinnigan's performance. He was nominated for the award by PCT chairman Nick Kennedy and chief executive Judith Griffin, who is a trained nurse.

'Problems are anticipated and action taken before they become damaging,' says Mr Kennedy. 'Executive colleagues have confidence in the way their plans are built into financial forecasts or their ideas are costed as part of their thinking.'

He adds that since Mr Hinnigan comes from the area served by the PCT, he has an extra incentive to improve services. He argues that this local knowledge, pride and passion to do his best for the borough means Mr Hinnigan stands out from others doing the same job.

His leadership style is one of energy, passion and honesty, Mr Kennedy says. His team has a high number of qualified staff as well as those working towards financial qualifications. He operates an open door policy, and not just for his own staff. His understanding of detailed financial issues, procedures and opportunities ensures he is often visited by a wide range of staff looking for advice.

Mr Hinnigan is widely regarded as a man who believes in involving people. He recognises that every member of staff has a role to play in discharging the financial responsibilities of a public sector organisation tasked with using taxpayers' money to best effect.

He is well aware that radical action is required in the current financial climate, so Mr Hinnigan ensures all staff receive regular updates and briefings to understand the challenges and opportunities ahead. As a result, staff surveys and event evaluations demonstrate a feeling of real ownership among staff of the work of the organisation and the financial targets. This in turn fosters great respect for their director of finance, Mr Kennedy says.

'Paul has been the essential financial link and control in an organisation that is at the cutting edge nationally of improving local health and healthcare,' he adds. ■

### ALSO NOMINATED

Tim  
Welch



Claire  
Yarwood



Wendy  
Galbraith



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# IPSWICH SMARTENS UP ITS ACT WITH SLM

■ **Winner** The Ipswich Hospital NHS Trust

■ **Shortlisted** NHS Oldham and The Christie Hospital NHS Foundation Trust (joint submission)

THE IPSWICH HOSPITAL NHS Trust has won the 2009 HFMA Governance Award following its introduction of a model of service line management (SLM) that has embedded good governance into its processes.

The judges were impressed by the trust's effective application of guidance and best practice to meet local requirements – it used Monitor's guides but adapted them to local circumstances.

The trust introduced SLM in April 2009 following a year-long project that created seven business units each run by a clinical board to meet its aim of enhancing clinical engagement.

The clinical boards' structure mirrors that of the trust board – the clinical chair has responsibility for governance, while a general manager is the accountable officer. This allows the clinical chair to be accountable and engaged, without having to actively manage the business unit, which would divert them away from their clinical duties.

The board line-up also includes a matron, operations manager, clinical lead and external advisers (including finance managers), together with other posts as necessary.

A performance management framework was introduced to allow the trust board to manage the business units through monthly performance meetings. This comprises 60 metrics, including indicators from the service level agreement with commissioners, auditors' local evaluation requirements and trust objectives. These have been boiled down to 14 overall indicators, including governance and finance. Scores for each indicator are combined to produce an overall score – individual indicator scores and overall scores are colour coded for easy reference.

The governance indicator tracks metrics such as non-compliance with standing orders and core standards or overdue risk actions, while a delivery indicator shows whether a unit is on course to meet the



HFMA Governance and Audit Committee chairman John Yarnold (right) and Bill Shields present the award to deputy director of finance Jason Kirk

## WHAT THE JUDGES SAID

“The governance indicator on scorecard incorporates both clinical and corporate governance items. It is impressive that the system has been devised to encourage both competition and joint working between business units”

commitments set out in its business plan.

Business units have five days to validate the information in the scorecard or prepare action plans to address issues raised. No discussion of data issues is allowed in the monthly performance meetings – the scorecard is final.

There is an incentive scheme that offers a capital bonus – £20,000 or £40,000 depending on performance – to each unit every six

months, based solely on their overall score. A revenue bonus may also be payable, and this is calculated using the trust's financial position, the business unit's overall score and its financial contribution to the trust's position.

Receiving the award, Jason Kirk, the trust's deputy director of finance, said: 'It's fantastic news. This award is for many people – it's for so many colleagues and clinicians who worked hard to get the project in place.'

'The scorecard brought all the issues into one place and made all the parties realise the priorities and the challenges we face. It has taken a lot of effort from a lot of people.'

The judges were struck by the initiative's success in encouraging competition – because units want to get better results than their peers – and in ensuring they collaborate.

The overarching framework includes a mechanism for ensuring that business units work collaboratively. There is no incentive to maximise their own performance at the expense of others because bonuses are not based on relative performance, and there is an incentive to help underperforming units.

If more units are performing well and making greater 'profits', this will improve the trust's financial performance and the 'profit pool' that is available for allocation. ■



Above and Beyond director Sarah Talbot-Williams receives the award from Bill Shields

# FLYING HIGH

OVERSEEING MORE THAN 500 separate charitable funds, management of the Above and Beyond Charities needs to be top class. In 2008/09, it committed £4.3m to improving healthcare in Bristol, earning it the 2009 HFMA Charitable Funds Management Award.

The organisation holds the charitable funds for the eight hospitals within University Hospitals Bristol NHS Foundation Trust, as well as those for Bristol Primary Care Trust and North Somerset Primary Care Trust.

Each of the funds has a defined purpose, but while every effort is made to meet donors' wishes, they are set up on a designated, unrestricted basis to allow the trustees some flexibility in their use. General purpose funds can finance hospital-wide projects and the trustees are constantly looking at ways of raising money for these funds.

The charity's reserve policy states that a workable reserve is one year's expenditure (£3.8m based on an average of the past four years), though reserves are currently running significantly higher than this because of under-utilised funds and long-term projects.

Despite the downturn in the global economy, which lost the charity £5m in 2008/09, Above and Beyond took steps to shelter its designated funds. This ensured

### Winner Above and Beyond Charities

spending plans were unaffected and the charity had enough cash to meet current expenditure, avoiding the need to sell long-term investments in a depressed market.

The losses were not distributed across the funds but were offset as far as possible. Measures included holding back a percentage of the value of stock market investments as a reserve, holding a significant proportion of one year's expenditure on short-term cash deposits and, following a property revaluation in 2007, not distributing to designated funds the unrealised gain of £3.5m.

A number of innovations caught the eye of judges. For example, it has a policy to stop large legacies merely adding to reserves. Each legacy of more than £50,000 is set up as a separate fund under trustees' control.

Key staff from the hospitals are invited to develop plans to best use the funds for the benefit of staff, patients or research. The grants programme has been closely aligned with capital planning.

The trustees have also launched a special-

### WHAT THE JUDGES SAID

"This entry represented best practice in a number of areas. There is a welcome openness about excess reserves and the investment loss is well explained. Fundraising is an element, but the report is not unbalanced with an excess of marketing"

purpose funds initiative, by which under-utilised funds or those accumulating large balances are identified and fund advisers are asked to produce spending plans to ensure they remain relevant and help achieve the charity's overall objectives.

The charity is clear about its purpose – 'to enhance healthcare in Bristol' – and this plays a key role in any fundraising activity. Its vision, mission and values statement sets out four categories for which grants will be considered.

Systems and procedures play a pivotal role in ensuring the funds are managed effectively, and the organisation provides clear policy and procedures guidance to its staff, fund advisers and hospital staff.

The judging panel said the entry demonstrated best practice in several areas, such as the inclusion of summarised financial statements in the annual report – 'a clever solution to avoiding the split of annual review from statutory report and accounts'.

The report itself was commended for its good blend of patients' personal stories and statistics. Judges said the emphasis was on an engaging narrative but it did not stray into unnecessarily long lists.

The judges made several recommendations for enhancing the management of the funds, and Above and Beyond director Sarah Talbot-Williams said these had been taken on board.

'The judges' suggestions were very helpful as we always strive to get even better,' she said. 'It's fantastic to win this award. There has been a huge amount of work done in partnership with the staff in the hospitals and the team in the charity. Effective financial management is vital to ensure we can enhance the work of the healthcare teams to deliver the best for patients in Bristol.' ■

# HEFT FILLS TALENT POOL

- **Winner** Heart of England NHS Foundation Trust
- **Highly commended** Abertawe Bro Morgannwg University Health Board
- **Also shortlisted** NHS Gloucestershire, Newham University Hospital NHS Trust

THE PHRASE 'NHS finance talent pool' is most closely associated with the next wave of finance directors – the deputies, assistants and associates waiting to grasp their chance to take the top job. Last year, Heart of England NHS Foundation Trust (HEFT) decided to focus on a much lower level – recruiting from the local community at the lower levels of Agenda for Change bands.

This 'grow your own' policy was a logical one for HEFT and has won the trust the HFMA Havelock Training Award for 2009.

The trust is at the heart of a deprived area in Birmingham and is serious about its position as the leading employer in an area of high unemployment. Despite the large number of people in the area looking for jobs, the trust found it increasingly difficult to recruit the right people, with the right skills and attitude, to work in financial management assistant (FMA) roles or in other less well-known areas, such as clinical coding, data quality or performance.

To resolve this problem, the finance department set up a talent pool, which would recruit up to six people on a 12-month contract. Trainees had the opportunity to work in two areas of the finance function, spending six months in each – the surgery business unit (financial management), data quality, clinical coding, income and contracting, financial accounts and performance.

They were also required to complete complementary courses, including the European Computer

Driving Licence and an NVQ in customer care, together with courses in communication skills and interview techniques. In addition, they met as an action learning group once a fortnight to share their experiences and support each other through the training.

Staff in the participating areas of the finance function also benefited. Those at band 5 or above but with no management experience could be nominated as a manager/mentor for a trainee. The manager was offered a package of training, which included the opportunity to study for an NVQ in supervisory management.

The talent pool project aimed to attract school leavers who wished to go into work-based training. The posts were graded at band 2, with a minimum requirement of five good GCSEs, including maths and English.

The project team held talks with the local community college to encourage applications from its students, and two of the six posts were reserved for this group of applicants.

The trust received almost 300 applications for the six posts, including a high proportion of university graduates – something it admits it had not anticipated.

The six trainees appointed after a tough selection process are now developing their careers. Two have gained qualifications in clinical coding, for example, while one trainee even secured a permanent FMA position

within five months of joining the talent pool.

HEFT director of finance Adrian Stokes said five of the six original trainees have now got a job with HEFT, while the other has taken a position with another NHS organisation.

'We didn't do this to win awards but it is fantastic to win this,' he said. 'It's a real honour. We have brought three of the trainees with us tonight. They started work with us a year ago and many had not worked in the NHS before but tonight they are learning a lot, seeing the HFMA conference and winning something.'

Calvin Hall, who has taken a permanent post as an FMA at HEFT added: 'The scheme is a great introduction to finance. I have learned a lot in a year and am really pleased to have got a permanent role at the trust.' ■

## WHAT THE JUDGES SAID

"This is an innovative project and addresses the community pool of non-studiers and those with no qualifications"



From right: Hampshire Partnership NHSFT finance director Letsie Tilley, Bill Shields and the DH's Bob Alexander present the award to the finance team from HEFT, including finance director Adrian Stokes (far left)



Andy McKeon, HEFT's Jeremy Butler and Bill Shields present the award to the Newham team

# QUALITY, SAFETY... SUCCESS

LIKE THE REST of the NHS, Newham University Hospital NHS Trust is no stranger to productivity drives and cost-saving. Over the past four years it has removed excess costs of more than £45m – and 2009/10 has been no different. The year began with a requirement to save £13m, of which £5.7m had not been identified. The finance team realised the solution to the shortfall was not 'more of the same'. A dedicated team, led by director of finance and resource management Ian O'Connor, was established to identify how improvements would be delivered and led to the trust setting up its 'quality, safety...efficiency' (QSE) programme.

QSE has a number of elements, but the primary focus has been on clinical engagement. This was seen as vital to ensuring any initiative under the programme could be delivered. Clinical engagement was boosted by the commitment of the director of nursing and the assistant director of service improvement. The support of these clinicians gave credibility to the QSE mantra that productivity could be raised while improving the quality and safety of services for patients.

The QSE team also ensured its efforts were backed by the board and the trust's leadership group, which includes its clinical directors. Staff representatives on the joint staff consultative committee were invited to attend the QSE board's meetings in order to review progress. And all staff were encouraged to channel their ideas for improvement through the QSE team.

The finance team laid the foundations for the

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- **Winner** Newham University Hospital NHS Trust
- **Also shortlisted** NHS Oldham; Hull and East Yorkshire Hospitals NHS Trust; Central Manchester University Hospital NHS Foundation Trust; The Liverpool Heart and Chest Hospital NHS Trust

## WHAT THE JUDGES SAID

**"By focusing on quality and safety, Newham has cleverly engaged a wide spectrum of staff and achieved significant efficiency improvements"**

project's success. It was instrumental in benchmarking ideas for improvement – for example, by reviewing reference cost information, working with budget holders to assess the potential gains of ideas that had been identified, and monitoring compliance.

The QSE team identified several areas for improvement. Planned care reference costs

were 25% higher than plan, operating theatres were used about 50% of the time, while only 60% of the time in planned sessions was used. Inefficiencies identified in the booking process meant outpatient capacity could be cut by 10%.

As a result, the trust has a detailed plan for the delivery of £13m of improvements in 2009/10, with the QSE schemes contributing £5.3m (though this is part-year so the full-year effect would be greater). The trust is now in recurrent financial balance. At the same time, quality and safety have improved with, for example, shorter waiting times.

The judges commended the trust for making significant savings over several years. The finance team was also praised for promoting clinical engagement and addressing underlying inefficiencies rather than 'salami slicing'.

'Backed by resources to enable change to be achieved, the results have been exceptional; not only through achieving savings in the short term but by creating a cultural shift that is a positive legacy to assist in the development of future years' savings plans,' they added.

The trust's assistant director of service improvement, Jenni Thomas, said the initiative showed quality and efficiency could go hand in hand. 'It is a recognition of all the hard work the trust has put in to focus on quality and safety and I think we have proved that you can be efficient and improve quality.

'Quality has improved in so many ways – we have been focusing on areas throughout the trust, such as theatres, outpatients and IT. But the patients have been at the centre of what we have tried to do, rather than money.' ■

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# ASSOCIATION HONOURS MEMBERS' CONTRIBUTIONS

THE HFMA MAKES a number of personal awards each year to individuals who have made an outstanding contribution to the association and to the finance community at large.

This year five honorary fellowships (previously known as special recognition awards) were handed out, together with a fellowship held over from last year and one outstanding contribution award.

Honorary fellowships are awarded each year to individuals who 'have made a substantial and sustained contribution to the life and work of the Healthcare Financial Management Association'. Traditionally, the award of a fellowship is made to those who have retired from full-time work, those nearing the end of their career or those who have left mainstream finance and to whom the association feels should be recognised.

## HONORARY FELLOWSHIPS



■ **Peter Shanahan** has stepped down from HFMA activities and is now in a role outside mainstream finance but he has been an active supporter of the association for many years. He has

sat on the West Midlands Branch executive, been a speaker at conferences and was branch chairman last year. The branch said the honorary fellowship reflects the high esteem in which he is held by local finance staff.

■ **Chris Macklin** has been a member of the HFMA's Accounting and Standards Committee for more than 12 years and has been its chair for the past four. He has been an ambassador



for the association; instrumental in developing and maintaining good relationships with the Department of Health finance function, giving the association a strong voice in the development of accounting standards,

overseen the HFMA's pre-accounts planning conferences and welcomed and supported new committee members.



■ When **Joe Teape** became chair of the South West Branch, he set an ambitious target of increasing branch membership by 40%. To date, it has increased by 75% and much of this rise is due to his

personal style and commitment to branch training events. He has re-energised the branch and, through his chairmanship of the regional finance skills development team, ensured a joint programme of events catering for finance staff training and development.

■ **Andrew Goodwin**

has been a leading member and secretary of the South West Branch for 10 years and intends to retire from the branch next year after handing over the role. The award recognises his dedication to keeping the committee moving forward, embracing the need to develop a local branch report and set agenda plans with which to ensure key business matters are fully addressed.



■ A founder member of the HFMA Mental Health Special Interest Group, **Spencer Prosser** chaired the group from 2003 to 2008 when it became a faculty. Under his

leadership the group gained influence in mental health finance, particularly on issues such as payment by results. He has now moved

to the acute sector and was nominated for an honorary fellowship by the Mental Health Faculty in recognition of his 'substantial and enduring contribution to the growth of the mental health voice within the association'.



■ **Louise Shepherd** was unable to attend conference last year to receive her fellowship, but was able to do so this year. She has made a significant contribution to the HFMA over many

years both to the North West Branch and at national level, including a spell as national honorary treasurer while she was deputy chief executive at the Countess of Chester trust. She subsequently went on to become chief executive of Liverpool Women's Hospital and latterly Alder Hey Children's Hospital, leading them both to FT status. ■

## OUTSTANDING CONTRIBUTION AWARD

This award is made to members who have made a particular contribution to the association either at branch or national level over the past year. The prize is a place on the US/UK



Exchange with a £1,000 travel bursary to cover the cost of the US leg. This year the award went to **John Flint**, who has played a pivotal role in the HFMA response to the proposal to make FTs eligible for corporation tax. He undertook and coordinated impact assessments from around the sector to inform the thinking of HMRC and Treasury. His commitment has played a key part in HMRC and Treasury's decision to postpone and review the proposals. His work has saved foundations a considerable amount of time and the HFMA will continue to work with the bodies on future corporation tax proposals.

# CLINICAL QUALITY



Dr Ellen Wilkinson accepts the award from former HFMA chairman Chris Calkin (far right) and Bill Shields

TO BE THROWN into your first substantive leadership post with no senior colleagues on hand to help is a difficult prospect. Add in the fact that your trust is in turnaround and the only financial experience you have is managing your own personal finances and the odds on success are long.

Cornwall Partnership NHS Trust's medical director, Dr Ellen Wilkinson, was put in this situation in 2006 and succeeded. Her energy and willingness to understand and analyse financial data, together with her credo, 'Quality first, but quality saves costs', caught the judges' attention as they named her Clinician of the Year.

They were impressed by Dr Wilkinson's belief that finance, business and IT should not be separated from clinical care. When she was appointed in August 2006, the trust – principal provider of mental health and learning disability services to Cornwall and the Isles of Scilly – had a recurrent financial deficit of £1m.

She set about engaging clinical colleagues and bringing them together with finance

■ **Winner** Dr Ellen Wilkinson, Cornwall Partnership NHS Trust

■ **Also shortlisted:** Dr Steve Allder, Plymouth Hospitals NHS Trust

## WHAT THE JUDGES SAID

"She identifies savings and is keen to take on a financial challenge. She also produces easy-to-read finance reports"

managers to address the deficit, while at the same time improving quality. For example, by analysing costs, staffing structures and use of agency or locum staff, she delivered a recurrent saving of £400,000 on the medical budget and identified resources to fund key priorities such as new consultant posts in the service with significant shortfalls.

Working with the trust's director of finance, she also negotiated new ways of working with the trust's adult mental health consultants to increase community team capacity, as well as reducing waiting times and costs.

And she created the trust's 'Pathway to payment' project, which is helping to prepare for payment by results (PBR) and service line management – for example, by improving coding accuracy and piloting and costing care

pathways. Dr Wilkinson has also sought to educate and enthuse clinicians about business challenges, including PBR, in medical continuing professional development sessions. She has prepared easy-to-read budget statements for medical staff committees and is introducing new clinical leads to finance and devolved budgets.

Dr Wilkinson has worked closely with finance colleagues in the preparation of reference costs, examining activity data and using the information to target efficiency savings.

'It was like being thrown in at the deep end,' Dr Wilkinson said. 'But it was a tremendous opportunity to work together with finance colleagues to learn more about what they do. Most of all, it is rewarding to bring people together from different backgrounds to make patient care better.'

Ethna McCarthy, the trust's director of finance and information, pays tribute to Dr Wilkinson's drive for ever-higher standards and her willingness to challenge the status quo on budgetary control and financial management.

'Ellen quite rightly expects a great deal from the finance team and shares her frustrations when systems or processes fall short of her ideal,' she says. 'She does not compromise on quality and expects the same from support functions.' ■

# BENEFITS OF INNOVATION



KPMG's Trevor Rees (far right) and the DH's Janet Perry (second from left) with the Mersey Care award winners

ACCOUNTS TEAMS HAVE been under a lot of strain over the last year, particularly with the introduction of earlier closure. But the 2009 HFMA Accounts Team of the Year not only brushed off the pressure, it also developed a range of best practice tools that have been adopted by other NHS organisations.

Mersey Care NHS Trust was not only the first trust in the North West to submit its accounts but it also did so on 20 April, three days ahead of the national deadline.

This achievement was founded on starting early and ensuring responsibilities were clear and milestones set out. An accounts production timetable was produced by the trust and ratified by its external auditors before being circulated in December 2008. Regular meetings were held to discuss issues that had arisen and to review progress, which ensured deadlines were met.

The Department of Health's finance manual was viewed each day to ensure updates were assimilated quickly and the relevant staff made aware of changes.

The trust encourages its staff to innovate to meet auditors' local evaluation requirements. For example, following their participation in an NHS North West faster closure group meeting, one member of staff developed a year-end accrual template. The template facilitated the agreement of estimates for unknown final charges with other trusts. This ensured invoicing was completed early and allowed for an easier year-end close as in most cases there was no need for accrual invoices.

## Endorsed and sponsored by: KPMG

- Winner Mersey Care NHS Trust
- Also shortlisted Northamptonshire Healthcare NHS Foundation Trust; NHS Brent

The template has been praised by the strategic health authority, which added that many organisations had used it, saving them time and effort.

The trust also introduced a new system to record, reconcile and monitor agreement of balances, debtor and creditors during 2008/09. This offered a full audit trail of all invoices received and issued, together with the date they were paid. It assisted the year-end process and resulted in a reduction of NHS creditors by £1.8m and NHS debtors by £700,000.

A new debt review system and better credit control led to any debt over 90 days being

reduced to £61,000. This significantly improved cash flow and allowed the trust to reach the *Better practice payment code's* 95% target. It also meant the trust could pay 73% of all creditors and 100% of service users within 10 days (an informal government target which it hopes will improve cash flow to small businesses during the recession).

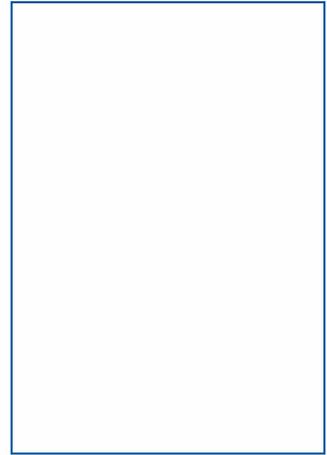
As well as being impressed by the trust's discipline and organisation in producing its accounts, judges commended its collaborative working and innovation. The finance team worked closely with the trust's communications department to produce the trust's annual report. As well as being available in several languages, the annual report is available on the trust's website with an audio reader facility.

Mersey Care finance director Neil Smith paid tribute to his department. 'The team worked extremely hard and developed an innovative approach to risk. I am very proud of them. As finance directors we know we are only as good as our staff and they are among the best.' ■

## WHAT THE JUDGES SAID

"The trust developed templates and showed good examples of working inside and outside the organisation in a collaborative way. It demonstrated an innovative way of presenting accounts and engaging the public"

# Good financial management is key to the success of the NHS



The NHS is facing a challenging future. After a decade of investment, the global economic downturn has created financial pressures that will be felt for years. The NHS will need to deliver cost savings of between £15bn and £20bn between 2011 and 2014, whilst still delivering sustained improvements in quality and in health outcomes. The role of the Finance Function will be vital in achieving the best value from every pound.

KPMG is committed to supporting the NHS as it rises to the challenge of reducing costs while maintaining and improving services. We understand the NHS and are working with NHS professionals in all parts of the service to help improve efficiency, optimise the cost base and drive demonstrable improvements in financial and operational performance.

Contact KPMG for trusted advice and support in solving your most pressing business issues.

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