

HFMA introductory guide to NHS finance

Chapter 1: Introduction



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1.1 About the guide

For over thirty years, the *Introductory guide to NHS finance* has provided an easy to read, accessible overview of the workings and language of NHS finance for the benefit of practitioners and observers. The guide is produced by the Healthcare Financial Management Association (HFMA), a charity established over 70 years ago to support those working within the NHS finance function. By improving financial literacy both within and outside NHS finance, the HFMA hopes it can inform and improve the debate on healthcare finance issues.

The guide has been developed to provide a self-contained source of advice and guidance for readers from an array of backgrounds. There are many aspects of NHS finance that are unique to the service, and a language laden with jargon, abbreviations and acronyms has developed that can appear impenetrable to many outsiders or newcomers. Indeed, as the terminology develops with each set of reforms, even the most experienced NHS finance professionals can find themselves in unfamiliar territory.

The guide aims to provide advice to all levels of finance staff from finance directors (who often use it as an aide memoir to more recent changes) to governors and lay members; non-executive and executive directors (who may not be finance specialists but still have shared corporate responsibility for understanding and managing the financial position); clinicians; budget holders; service managers; accounts assistants and those who need an understanding of NHS finance for academic study purposes.

Over the years the guide has grown as it tries to provide an overview of both the current finance regime along with a sense of how the approach has developed over the years. Nevertheless, it remains (as its title suggests) an introductory guide that gives a reasonably straightforward but comprehensive description of NHS structures and processes.

1.2 Approach and format

Until 2022, the introductory guide was only available as a paperback book; now however, the guide is available online. It continues to follow the approach readers will be familiar with – namely that each chapter treats its topic in a largely self-contained way. Cross-references are included where they are helpful.

This version of the guide is being published during a time of significant change for the NHS, across all four nations. In England, the *Health and Care Act 2022* is changing the shape of the NHS. In Northern Ireland, the development of a new integrated care system signals a new way of planning and managing health and social care services for the nation. Wales is in the process of developing a national executive function that will strengthen national leadership and support the continuing transformation of services. Scotland is looking to introduce a National care service (NCS), working alongside the NHS in Scotland, to allow more effective service provision and facilitate greater integration and partnership working. By publishing online, the guide can be updated more frequently to recognise these changes, so that it will remain relevant and continue to provide timely information for those who need to refer to it through organisational and structural changes.

The bulk of the guide concentrates on the financial arrangements for the NHS in England with separate chapters dedicated to Northern Ireland, Wales and Scotland. These chapters identify the key issues and differences for those health systems.

The guide ends with a glossary of terms and abbreviations.

The HFMA maintains a directory of resources that provides links to other HFMA outputs such as briefings and webinars across a range of subjects. It also highlights online learning courses that are available. [The directory of resources can be found here.](#)