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# Dealing with organisational change – case studies from the finance team of the year award 2019



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# Dealing with organisational change – case studies from the finance team of the year award 2019

The HFMA's National Healthcare Finance Awards attract entries from across the NHS, showcasing good practice and demonstrating ways of working that have proved particularly effective. The Finance Team of the Year award seeks excellence across a number of areas and attracts high quality submissions.

In 2019, several of the shortlisted entries set out how finance teams had supported significant organisational change, with examples across the acquisition and divestment of services, as well as developing new joint working practices. The NHS is used to organisational change, but the process of change is always challenging. This briefing shares the experiences of Hampshire and Isle of Wight Partnership of Clinical Commissioning Groups; Pennine Care NHS Foundation Trust; and Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust.

## Hampshire and Isle of Wight Partnership of Clinical Commissioning Groups – developing partnerships

Reducing duplication was recognised as essential to improving patient care in Hampshire when five CCGs came together to work in partnership. While there was no legal organisational change, the challenge here was for finance to work as a single team across organisational boundaries, despite being based in different offices up to 60 miles apart and with the Solent in between some.

Standardising approaches to financial reporting and governance was a key part of bringing the organisations together to work efficiently. Standard standing financial instructions, standing orders and authorisation limits were drafted and agreed by the individual CCG governing bodies, ensuring that all staff were working within the same financial governance framework.

Across the partnership, joint groups and committees were set up, including a quality, finance and performance committee. A partnership audit and risk committee was also established, using a 'committees-in-common' approach. These committees were supported by the production of a single partnership finance and performance report and consolidated corporate costs budgets, enabling financial performance to be managed on a partnership wide basis.

As single functions were established across the partnership, such as strategy and transformation, individual finance staff supported them regardless of their original CCG base. To work in this way required significant sharing of financial knowledge across the teams that had come together, so that staff could work on a functional basis across CCGs as well as working to support their local teams. This approach developed a spirit of openness and working together as ideas and best practice were shared across the partner organisations.

Cross partnership leads were established for certain tasks within the finance function, such as year-end reporting. This meant that key assumptions around accounting treatments and principles could be aligned across all organisations, making both the year end accounting and auditing process simpler and more efficient.

Working across partnership bodies allowed teams to share best practice and good ideas, such as quality, innovation, productivity and prevention (QIPP) schemes, meaning that testing only has to be done once. This culture of sharing has resulted in staff not only working more effectively but also helped to foster trust between new colleagues.

Addressing the cultural change was also key to the success of bringing together the finance teams. A number of away days were held where colleagues could meet each other in person. Staff were also encouraged to work at different sites, as well as making full use of technology to stay in touch. The shared functional approach put in place to streamline working practices also allowed relationships to be built between staff who may otherwise have not worked together.

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## **Pennine Care NHS Foundation Trust – divesting services**

In October 2018, the Pennine Care NHS Foundation Trust board supported the divestment of community services, in order to focus on the provision of services for mental health and learning disabilities. Community adult and children's physical health services made up around 40% of the trust's business, so this represented a significant change for the Trust. The divestment was phased throughout 2019/20 meaning that each quarter required a separate accounts closedown and new plan. As services moved, so did finance colleagues with members of the team transferring to new organisations. Those that remained faced additional, and different, workloads and a new team dynamic.

With the loss of community services, which brought in income of around £100m per year to the Trust, overhead costs also had to be reduced by 40%. The finance team saw this as an opportunity to undertake a radical review of how they supported the Trust, despite the inherent uncertainty about their own jobs. Working with staff from other teams, they developed creative ways to deliver the corporate function through a series of workshop sessions which looked at what they must do, should do and could do. Effectively the finance team started with a blank sheet of paper to redesign their roles. As a result, they received positive feedback welcoming the clarity that the new process brought for managers and non-executive directors. The finance team also negotiated a protection clause that recognised that there were stranded costs from the divestment of community services and minimised the impact of those costs on continuing services.

Against this backdrop of uncertainty, the finance team undertook a number of initiatives to improve the financial position of Pennine Care NHS Foundation Trust. It was necessary to improve budget management and decision making within the organisation, to ensure that staff really understood the

importance of spending wisely. Explicitly linking this to patient care showed staff the impact that their choices could have, and the business case process was refreshed to include a patient story at the beginning of each one. Work has also been carried out to assess whether the benefits of each project have been realised, linking them back to the Trust's efficiency programme.

Working to improve patient care while delivering efficiencies also led to the creation of an improvement framework by the finance team. While initially designed to support the cost improvement programme, it was adopted by the whole Trust to enable focus on transformation, efficiency, innovation and engagement. It clearly set out how all staff could get involved in supporting the effective running of the organisation and launched an online portal where people could share their ideas for changes. The framework also showed which committees and groups were taking responsibility for each aspect, from a trust management perspective. An outline is shown in Figure 1.

**Figure 1: Pennine Care NHS Foundation Trust's improvement framework**



The finance team did not just support others to improve patient care, they also recognised that they had skills which were worth sharing and that there was an opportunity to help the Trust's service users. Using their financial skills, they developed a course on managing money for service users as part of the Trust's key goal to support service users to return to normal life, following a period of care by the Trust. The course supported people to understand how they spent money and to be confident to manage a household budget. This experience gave the finance team the opportunity to connect with service users and really understand the value that they could bring. In a time of organisational uncertainty, this helped staff to focus on why their role was important and the difference that they could make to people.

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## Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust – acquiring services

Conversely, Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust was awarded the contract to deliver community services in Wigan, which saw the transfer of nearly 1,000 staff into the trust from Bridgewater Community Health NHS Foundation Trust.

The finance team were involved in the due diligence process for the acquisition and highlighted potentially significant benefits through reducing duplication and increasing efficiency. As the process was complex, final board approvals were not received until late in March with a proposed transfer date of 1 April. This meant that everything had to be established in shadow form to ensure that they would be ready to go live at short notice. This included reconfiguring the ledger, building a new e-procurement system, developing the budgets and transferring the payroll. These elements were all supported by end user training to enable people to use the new and revised systems as soon as they were rolled out.

Identifying potential efficiency benefits and realising them can be quite different things. However, it is expected that initial work to reduce overheads and operational duplication will save around £1m per annum. Work to realign patient pathways and remove service boundaries, will improve the patient experience and should yield further efficiency savings through making better use of scarce resources.

This work has contributed towards obtaining council investment in service change, through being able to consider the whole patient pathway. Multi-disciplinary, cross-organisation community response teams have been piloted to target high intensity users of services. The pilot has shown that significant savings are possible if fully implemented and enables a better offer of support to be available for those people identified through a risk stratification process.

During the year, the finance team undertook a review of the standing financial instructions (SFIs) to ensure that managers were aware of their responsibilities and understood the necessary processes. Targeted support was also offered to individual managers to highlight the key areas of their responsibility and an awareness week was held, with finance staff visiting clinical departments to hand out a summary guide that the team developed. SFI responsibilities are now included within job descriptions and terms and conditions of employment. This exercise ensured that all staff, whether existing or recently transferred in, were operating within the same financial governance framework.

The finance team has also taken this opportunity to work more closely with the CCG and local authority to develop co-ordinated financial reports that enable the progression of joint working initiatives. Development of a local integrated plan has also allowed the finance directors of both the Trust and the council to deliver a unified message in presentations, where presenting jointly has further improved the positive relationship.

Expanding the capacity of the trust was a complex and lengthy challenge, however the finance team have been able to support the new teams. In doing so, they have also grasped the opportunity to improve the financial governance of the whole organisation and improve working relationships in their local economy.

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## Conclusion

Finance teams have a key role to play in organisational change. Their involvement is crucial from the early stages of investigating the proposed change, through implementing it and then supporting the organisation to realise the benefits. A theme of strong financial governance runs through all the case studies shared from the Finance Team of the Year award shortlist in 2019, showing that getting the basics right is essential to easing the way through any period of transition. The 2019 HFMA president's theme of Valuing the Opportunity shines through each of these examples, as each team spotted the opportunity within the change to make worthwhile improvements to both internal finance practices and wider organisational operations. Each organisation has become stronger as a consequence.