



HFMA briefing
June 2022



Financial sustainability

The essential building blocks

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Summary

Since March 2020, NHS organisations have been focused on the operational management of the Covid-19 pandemic. This, coupled with the temporary financial regime and additional funding, meant efficiency requirements were put on hold. Now there is a renewed focus on improving financial sustainability and a need to regain financial grip, while still balancing the competing priorities from operational activity, workforce demands and recovery from Covid-19.

Delivering value

Delivering long-term financial sustainability is not something that can be achieved quickly and is an ongoing process rather than a one-off plan, with a focus on delivering value.

The Centre for Evidence-Based Medicine defines value-based healthcare as ‘the equitable, sustainable and transparent use of the available resources to achieve better outcomes and experiences for every person.’¹

Following the pandemic, it is likely that organisations will need to re-establish an ongoing approach to delivering recurrent efficiencies and improving value, including reducing waste, extracting non-cash releasing savings that support an increase in capacity, and focusing on outcomes and quality.

The essential building blocks

We interviewed a number of experts who support NHS organisations improve their financial performance, as well as finance directors and senior clinicians, asking them for their views on the building blocks for improving financial sustainability.

A number of key themes emerged from our interviews (figure 1). The foundations for delivering value have not changed since the pandemic, and the challenges of securing financial sustainability are recognised as significant. The themes are not listed in a particular order and all are important.

Each of these building blocks will be considered in the report. We recognise that implementing each of them will come with challenges and they will not be implemented quickly. However, most organisations won't be starting from a blank canvas and this report is intended to be a reminder of how essential these building blocks are when improving financial sustainability.

‘During the pandemic more money was spent, yet productivity was considerable reduced. Now there needs to be a turnaround and a significant change in mindset to deliver more for less. The building blocks in this briefing can support this goal.’

¹ Centre for Evidence-Based Medicine, *Defining Value-based Healthcare in the NHS*, 2019

Figure 1: Nine essential building blocks for delivering value

1	Ensure financial sustainability is everyone's business	<ul style="list-style-type: none"> • Develop a compelling vision for the future • Place quality improvement at the centre • Use the right language • Promote collaborative working
2	Have a clear understanding of the use of resources	<ul style="list-style-type: none"> • Be transparent about the financial position • Remember your ethical responsibilities as an accountant • Identify the drivers of financial deficits • Get a grip on deficits • Provide services with robust business intelligence • Deliver financial training for non-finance staff
3	Get the financial governance right	<ul style="list-style-type: none"> • <i>Improving NHS financial sustainability: are you getting the basics right?</i> supports finance teams to think about the core elements that should be in place to support board assurance over an organisation's financial sustainability, and to assess whether the arrangements are working effectively.
4	Develop a strong finance team	<ul style="list-style-type: none"> • Develop finance staff • Understand each other's roles • Provide specific training and support to finance business partners
5	Support services to identify efficiency opportunities	<ul style="list-style-type: none"> • Improve productivity • Reduce waste • Transform the way care is delivered • Reduce health inequalities
6	Make workforce a priority	<ul style="list-style-type: none"> • Recognise the pressures of the pandemic • Use workforce effectively and productively
7	Exploit the use of digital technologies	<ul style="list-style-type: none"> • Identify the opportunities for digital transformation • Understand the financial impact of digital investment
8	Balance short-term priorities with delivering medium to long-term strategy	<ul style="list-style-type: none"> • Adopt an innovative approach to addressing long-term sustainability • Ensure financial plans are consistent with all other plans • Establish a robust approach to programme management
9	Develop a system-level approach to financial planning and delivery	<ul style="list-style-type: none"> • Build a collaborative approach • Develop a system financial strategy

The essential building blocks

1 Ensure financial sustainability is everyone's business

Everyone working within the NHS has a responsibility for ensuring that their organisation or system maximises the use of resources to deliver high-quality patient care – not just the finance department. The challenge is how senior leaders make this the norm. Some of the enablers are described below.

Develop a compelling vision for the future

The executive team need to demonstrate that financial sustainability is everybody's business through their behaviour and the vision that they set out for the organisation. 'Tone from the top' is important. Clinical leaders, ward managers, nurses, middle management and everyone using NHS resources need to understand that the decisions they make have a financial impact. It should be very clear that the additional funding provided during the pandemic is no longer available and NHS bodies will have to work within tighter financial envelopes. This means a renewed focus on efficiency and value to ensure that the best possible patient care is delivered with the resources available.

'The executive team needs to have shared priorities, so that the finance director has patient safety in mind as much as the chief nurse, and the chief nurse has financial sustainability in mind as much as the finance director.'

Place quality improvement at the centre

If there is a clear vision for the future, with clinical strategy at the heart, services are more likely to engage with change. Using terms such as value and quality improvement rather than cost reduction is more likely to secure buy-in from clinical teams. A systematic approach to quality improvement can support the delivery of sustainable change, resulting in both improved patient outcomes and efficiency gains. Tackling variation in the way services are delivered improves patient care and outcomes, and may free up resources that can be put to better use elsewhere in the NHS.

'Value improvement is very similar to quality improvement – it's about improving productivity and reducing waste. Those who are close to the delivery of care are most likely to identify the opportunities for productivity and waste reduction.'

Use the right language

The importance of using the right language cannot be underestimated. The choice of terms used is key in securing the buy-in of clinical and operational teams, and using the 'wrong' ones can be counterproductive.

'Talking about financial sustainability is the wrong starting point – it should be about improving outcomes with the resources we have. We should be talking about value improvement.'

'We have banned the phrase CIP and instead talk about quality improvement and waste reduction.'

'In our organisation people react badly to the terms productivity and waste – we talk about value which chimes with clinicians and finance.'

The final choice of what terms to use needs to be decided at a local level, and will vary between organisations and systems.

Promote collaborative working

Improving value and efficiency requires organisational and system wide multi-professional collaboration. This means:

- **executive teams** working together on common goals rather than working in silos
- **finance teams** starting to work across an integrated care system (ICS), establishing a common version of the truth
- **finance and business intelligence teams** working together to ensure that the most is made of the data available to support good decision-making
- **clinical, operational and finance staff** establishing collaborative relationships, with value at the centre of decision-making. Every clinical decision is a financial decision, and finance and clinical professionals need to share responsibility for deciding priorities and allocating resources. Clinicians include doctors, nurses and other allied health professionals, and the involvement of medical and nursing directors, as both leaders and communicators of shared priorities is essential.
- **organisations within an ICS** maximising the opportunities for greater integration of services. Provider collaboratives support closer working between all provider sectors and opportunities for change and improvement, ranging from shared services to major re-alignment of services.

'The largest opportunities for improving value are at system level.'

Additional resources

- [Quality improvement made simple](#), The Health Foundation
- [Board-level decision-making for value](#) recorded webinar, HFMA
- [Collective response](#) roundtable write up on joint working between clinical and finance staff, HFMA and Faculty of Medical Leadership and Management
- [Engagement value outcome \(EVO\) framework](#) promotes collaborative working between clinical and finance teams and their collective understanding of patient-level costing to support value improvement, HFMA and Future Focused Finance

2 Have a clear understanding of the use of resources

Without a clear understanding of the financial position, and how resources are used, it is not possible to improve financial sustainability.

Be transparent about the financial position

The finance team need to provide accurate and timely information about the financial position, including any explanation of variances. It needs to be clear that there are no hidden contingencies that finance can produce to bail out the position at the year-end – at organisation, system or national level. This also means no 'game-playing' with other organisations, and that financial plans are based on the reality of what is achievable. ICSs should ensure that there is a common version of the truth. Some interviewees reported a tension between the plans being asked for by the centre and what systems forecast as achievable locally.

'We need to talk about risks and opportunities in an open manner. We need to recognise that the additional funding during the pandemic changed the culture, and people now need to be made aware that this money is no longer there.'

Remember your ethical responsibilities as an accountant

With NHS services under pressure, the role of NHS finance professionals to maintain required ethical standards is important. Finance staff have a responsibility to meet both the regulatory standards of the NHS and the ethical standards of professional bodies.

Identify the drivers of financial deficits

Boards and finance teams need to have a very good understanding of the organisation's financial position. If there is a deficit, what are the underlying causes? Accurate forecasting is a key measure for demonstrating whether the organisation has a good understanding of the finances.

Get a grip on deficits

Struggling organisations need to get a grip on the here and now to stop the financial situation getting any worse. New spending decisions should be scrutinised, checking that they support tackling the key issues facing the organisation. Business cases should be halted where the spend is not sustainable.

'You need to sort out burning issues and not just 'dampen them down'. This means carrying out a rapid investigation into the causes and addressing them thoroughly, for example if there are cash flow issues, this may emerge as an emergency but needs to be sorted out at the core.'

Provide services with robust business intelligence

Robust data is an essential building block to improving financial sustainability, providing the information needed to understand service delivery and make decisions. The data needs to be available, trusted and subject to intelligent analysis, with support for managers to use the information to take action.

Information needs to be presented in a way that engages and is meaningful for managers and clinicians. Standard budget variance reports may not meet this criteria. Statistical process control (SPC) is starting to be widely used in the NHS to understand whether change results in improvement and supports better decision-making.²

'Making Data Count (SPC) helps engage managers and clinicians in looking at data in different ways – it is part of an approach to transforming the way information is received.'

Providing services with benchmarking data, including datasets such as Getting it right first time (GIRFT), the model health system and patient-level costing, allows them to compare performance both within the organisation and with others.

'If you empower a team with information, they will identify opportunities and deliver them.'

Deliver financial training for non-finance staff

Regular finance training should be offered to clinical and operational teams, so that they understand their budget, the links between finance and activity and the impact of their decisions on the overall financial position.

'Non-finance staff often don't understand how finances are managed in the NHS. This results in them being less inclined to play a role in good financial management.'

'Some of our senior managers who joined our organisation during the pandemic are not aware of their role in improving financial sustainability. We have addressed this by requiring staff to undertake at least three HFMA bitesize courses³ on healthcare business and finance.'

Additional resources

- [Financial forecasting in the NHS briefing, HFMA](#)
- [The right way to yes – business case governance webinar, HFMA](#)
- [What finance data is required to drive value at a population level? briefing, HFMA](#)

² Making Data Count - FutureNHS Collaboration Platform

³ HFMA bitesize courses

3 Get the financial governance right

It can be challenging to establish financial sustainability as a credible priority when the NHS faces challenges with service recovery, workforce, emergency care and so on. However senior finance leaders have a duty to maintain or re-establish the core aspects of financial control as the NHS is coming out of the pandemic.

Despite having to make decisions at pace during the early stages of the pandemic, many organisations ensured that they did this without losing financial control.

Staff will have seen waste in the NHS during the pandemic, for example unused beds within Nightingale hospitals and waste in purchasing personal protective equipment, and senior leaders need to be open about this, recognising the exceptional circumstances. They also need to make it clear that financial control has always been important and re-set its significance as the NHS comes out of the pandemic.

'Basic financial disciplines need to be in place through a strong control environment. This is not necessarily "managing the paper clips", because you need to enable staff to manage their area, but about having a transparent framework of rules with clear boundaries that they operate within.'

Getting the basics right

The HFMA briefing [Improving NHS financial sustainability: are you getting the basics right?](#) supports finance teams to think about the core elements that should be in place to support board assurance over an organisation's financial sustainability, and to assess whether the arrangements are working effectively. The core elements are:

- business and financial planning
- budget setting
- budget reporting and monitoring
- financial forecasting
- cost improvement/efficiency plans
- board reporting
- financial governance framework
- culture, training and development.

4 Develop a strong finance team

Improving financial sustainability requires a well-engaged, vibrant forward-looking finance team, who have a good understanding of the business of healthcare, as well as recognising the importance of financial control.

'In the past finance teams have sometimes been seen as working after the event as bean counters. This view needs to be challenged. Finance staff should be up-front partners who work to support and improve decision-making.'

Develop finance staff

The finance team needs to be adequately resourced with appropriately trained staff, and with the right mix of skills and experience.

Technical finance skills are important but are not sufficient on their own, and development programmes need to support finance staff to develop strong analytical skills, as well as interpersonal skills to allow them to develop good working relationships with all parts of the business. This includes providing finance staff with the opportunities to experience different roles across the system.

*'The structure of the future NHS finance function will look quite different as the roles of staff change. With technology removing the need for routine manual processing staff, the bulk of the workforce will be undertaking business partnering and data insight activities to inform the ongoing strategy of the organisation and system.'*⁴

Understand each other's roles

While members of the finance team have different functions, understanding each other's roles is key to being a strong team with a common mission rather than working in silos.

Provide specific training and support to finance business partners

Finance business partners can play a key part in supporting the delivery of safe, effective and financially sustainable clinical services. They also have a critical role in supporting the decision-making of the clinicians and operational managers with whom they work. Staff may need additional training and support to take on these roles.

Additional resources

- [NHS finance: designing our future](#) sets our long-term vision for the finance profession in the NHS, Future-Focused Finance, HFMA and PwC
- [Exploring the role of the NHS finance business partner](#) briefing outlines key role finance business partners play, HFMA

5 Support services to identify efficiency opportunities

Improve productivity

Improving productivity is recognised as a major opportunity for improving financial sustainability. Productivity is not about cost reduction but rather about doing more with the current level resources. Focusing on productivity rather than cost is more likely to secure buy-in, and can focus on areas such as theatres, outpatients, discharges. Providers need to compare their current productivity levels at a divisional or specialty level with those pre-pandemic, and make it clear that everyone has a role to play to improve productivity.

'We need to challenge teams to get back to pre-pandemic productivity levels – ask them what is their length of stay, how many people do they see in a clinic?'

'The reality is that most people know where the productivity opportunities are, it's a matter of culture as to whether they can mention or address them.'

Reduce waste

Supporting staff to systematically identify and remove waste is an effective way of improving the use of finite resources. Patient experience can also support the identification of waste.

'We focus on improvement – not savings – and therefore on eliminating waste.'

'Identifying opportunities can often be driven by patient story experiences.'

⁴ [nhs-finance-designing-our-future.pdf](#) (hfma.org.uk)

The Virginia Mason Institute lists the types of waste that are endemic in healthcare, building on the seven wastes identified by Taiichi Ohno, a founder of the Toyota Production System (figure 2).

Figure 2: The seven wastes⁵

Waste	Definition	Examples in healthcare
Processing	Unnecessary processes that an organisation deems necessary Doing more work than required to achieve the organisation's goal	<ul style="list-style-type: none"> • Ordering unnecessary laboratory tests • Entering the same information in several systems
Time	Waiting for people to arrive or services to be delivered Idle time of people, equipment or processes	<ul style="list-style-type: none"> • Waiting for a service to be delivered (such as medication) • Waiting for a clinician to call back a patient or staff member
Defects	Problems with materials and processes	<ul style="list-style-type: none"> • Broken equipment • Healthcare-acquired conditions such as blood clots and infections
Motion	Unnecessary movement that does not add value Movement that is either too quick or too slow	<ul style="list-style-type: none"> • Using more than one mouse click to access an electronic health record • Walking between patient rooms
Transportation	Conveying, transferring, picking up, setting down, piling up and otherwise moving unnecessary items	<ul style="list-style-type: none"> • Moving supplies throughout the hospital • Moving patients to different departments
Inventory	Storing excessive supplies, materials, equipment or information for any length of time	<ul style="list-style-type: none"> • Ordering a backup supply of surgical tools • Storing expired or damaged products
Overproduction	Producing something at the wrong time or in unnecessary amounts	<ul style="list-style-type: none"> • Staying in the hospital longer than medically necessary • Preparing medication in batches

⁵ Virginia Mason Institute, *Identifying waste to build lean healthcare*

Transform the way care is delivered

Fragmented care, where healthcare organisations work in silos, leads to poorer outcomes and inefficiencies. The move to a more collaborative, integrated approach to designing, planning and delivering health services across local systems with the establishment of ICSs provides the NHS with the opportunity to deliver better value.

Optimising patient pathways through service transformation can release capacity, while improving patient outcomes, freeing up staff time and estates, and improving efficiencies. Understanding how resources are used across the system provides real opportunities for doing things differently.

‘If you are a struggling organisation, stop trying to do 60 transformation projects at the same time. Instead decide what three or four things will make the biggest difference to getting out of the financial hole, and focus on these. Once you have made a visible difference on these priorities, then move to the next ones. When people see that progress has been made, this starts to develop a more positive mind set and a culture of ‘not failing.’’’

Different payment approaches can support new ways of doing things.

‘Using an aligned incentive contract rather than the payment by results tariff allowed us to change how services were delivered, for example introducing virtual triage for gastroenterology changed 60% of patient pathways. Patients are now directed to the right test or the right consultant.’

Reduce health inequalities

As well as the moral imperative for reducing health inequalities, the ‘cost of doing nothing’ means that tackling health inequalities also has an impact on value and efficiency. The Marmot review⁶ estimated that direct treatment costs in England associated with inequality amounted to £5.5bn a year.

‘We provide our specialties with data packs about their services, including data on postcode and deprivation. There is clear evidence that those living in more deprived areas are being seen later in the stage of the disease, and therefore costing more to treat. Tackling this is the biggest prize for waste reduction in the next 10 years.’

Additional resources

- [NHS value and efficiency map](#) promotes best practice in the efficient and effective use of resources to deliver high-quality sustainable healthcare, *HFMA and NHS England and NHS Improvement*

6 Make workforce a priority

Recognise the pressures of the pandemic

To address long-term sustainability, organisations need to look at workforce as staff are the biggest cost and driver of activity. This needs to be done in a sensitive way, as staff are exhausted after the pandemic. Senior leaders need to acknowledge this.

‘Workforce is a nightmare - people are demoralised, disengaged, struggling with too much change, not doing what they were trained for, and providers are losing the “discretionary effort” that had an impact on outputs.’

⁶ HM Government, *Fair society, healthy lives : the Marmot Review : strategic review of health inequalities in England post-2010*, January 2020

Use workforce effectively and productively

The challenges of workforce capacity, as well as financial constraints, mean that organisations need to use their workforce effectively and productively. Areas of focus include:

- triangulation of workforce plans with finance and activity plans
- monitoring bank and agency spend closely
- maintaining or establishing good rostering processes
- maintaining or setting controls over vacancies
- reviewing consultant job plans
- reviewing skill mix
- considering new ways of working, including moving skill sets around the system.

‘Premium pay has become an issue during the pandemic due to factors such as out-of-hours supplements, agency spend and a relaxation of workforce controls. This needs addressing through a basic review of planning rotas and ensuring a robust authorised establishment is embedded. It should be modelled on demand which is then matched to physical and staffing capacity.’

‘Target the use of agency staff and think about incentive payments to encourage them to move to bank or substantive posts.’

Additional resources

- [Workforce transformation and redesign tools](#), Health Education England
- [HEE Star: accelerating workforce redesign](#), Health Education England
- [e-rostering-guidance.pdf \(england.nhs.uk\)](https://www.england.nhs.uk/e-rostering-guidance.pdf)

7 Exploit the use of digital technologies

Identify the opportunities for digital transformation

Digital technologies such as digital medicine, artificial intelligence and robotics have a huge potential to transform the delivery of healthcare. These technologies can empower patients to participate actively in their care, with a greater focus on wellbeing and prevention. They also support the prediction of individual disease risk and personalise the management of long-term conditions.

Digital decision support tools can help providers with capacity and demand planning, and support more efficient flow management. They can also allow services to have a better understanding of variation at a clinical pathway level to inform improved clinical decision-making, drive improved outcomes and reduce inefficiencies.

Automation, including robotic process automation, is increasingly being used to improve productivity. Radio frequency identification (RFID)⁷ provides significant opportunities for reducing the costs of managing inventory such as medical devices, as well as improving the standards of care.

⁷ RFID involves the encoding of digital data in a tag or label which is captured by a reader via radio waves, similar to barcoding. One significant difference is that RFID tag data can be read outside the line of sight, while barcodes must be aligned with an optical scanner.

Understand the financial impact of digital investment

Accounting for innovative digital technologies is complex because it is not always clear whether the NHS body is purchasing an asset that, in accounting terms, is capital expenditure or a service that is revenue or a mixture of the two. It is therefore vital that the financial impact is considered at an early stage in the development of the business case.

Additional resources

HFMA *Delivering value with digital technologies programme* publishes briefings and case studies including:

- *Introduction to digital healthcare technologies* briefing
- *Accounting for revenue and capital: implications for the digital age* briefing
- *Making a difference with digital technologies: identifying and evaluating benefits* briefing
- *Digital technologies resources map* brings together tools and resources useful to finance teams supporting digital transformation

8 Balance short-term priorities with delivering medium to long-term strategy

Balancing short-term issues while developing a medium to long-term strategy remains challenging. It can be difficult to focus on the longer-term when short-term operational challenges are many. In addition to this the financial regime does not encourage a longer-term view, with a focus on annual targets and many examples of non-recurrent funding. In previous years many organisations have become reliant on in-year non-recurrent savings. This will only work for the short term, and the reliance needs to move to longer-term sustainability plans and the investment required to deliver them.

Adopt an innovative approach to addressing long-term sustainability

Medium to long-term strategies require a greater focus on innovation as a way for radical change. Incremental changes may not deliver the long-term sustainability required. Ring-fencing resource to think about strategy can be challenging when firefighting current operational issues, but it is important to protect time and people to consider the medium to long-term strategy.

'Executives and managers need to have protected time to work on strategy as too often they are driven by operational demands.'

'Executives need to have a strong team beneath them who focus on the basics being in place, so that they can work on the strategic issues.'

Ensure financial plans are consistent with all other plans

Financial plans need to be entirely consistent with all other plans (for example, workforce, operational, capital, digital, efficiency, quality and environmental sustainability) and be based on robust assumptions that have been thoroughly tested. They need to have been accepted by management as achievable and approved by the board.

The medium to long-term strategy should set the framework for the annual plan, both at a system and organisation level.

'It is important that short and long-term plans are integrated, for instance if there is a long-term workforce strategy, short-term initiatives such as agency staff and consultant job planning need to fit into the overall longer term programme.'

Establish a robust approach to programme management

A robust programme management office (PMO) structure plays a key role in making sure those delivering large programmes are held to account. The PMO can support the identification of problems and solutions, manage the change process and evaluate the outcomes. Usually this can be set up and run by staff working for the organisation.

Not only does a PMO provide the rigour and structure to drive through change, but it brings in the expertise (and time) that operational managers might not have. This allows the latter to add value to the process, while also delivering business as usual.

'Make sure the PMO is not just projects and programmes, but links in with quality initiatives, which then helps drive efficiencies.'

Through managing and tracking multiple programmes, a PMO is in a strong position to identify and mitigate risks, and feed in information to finance forecasts.

Identifying the problem

Without a clear understanding of the problem at the outset, there is a danger that poor investment decisions will be made, and the benefits not realised. Before implementing a solution, a business case needs to be developed that sets out what the problem is and how the proposed solution will deliver value for the NHS and patients. The business case needs to set out a compelling case for investment, clearly articulating what the anticipated benefits (financial and non-financial) are.

Delivering the solution

While clinical engagement is important, much of the delivery will rely on operational staff. The chief operating officer needs to be a key player (with the chief executive and the chief finance officer) and their team needs to be fully engaged in ensuring that plans are achievable and delivered.

'The NHS is good at pulling plans together, but less good at delivering them.'

Evaluating the outcomes

Evaluating the effectiveness of the investment following implementation is key to ensuring that resources are used wisely in the NHS. Have the benefits set out in the business case been realised? Finance staff have a role in ensuring that those delivering the project are held to account, and understand how successful the investment has been in meeting its objectives.

Additional resources

- [Quality, service improvement and redesign \(QSIR\) tools by stage of project, NHS England and NHS Improvement](#)
- [Managing projects](#) recorded webinar, HFMA

9 Develop a system-level approach to financial planning and delivery

Build a collaborative approach

The establishment of ICSs is at an early stage, and systems vary in terms of maturity and number of partners. Building a collaborative approach will take time as new working relationships are developed, and trust is established. Collective problem solving is seen as a way of supporting this. Establishing collective ownership at a system level is currently a fair way off, and the differing risk appetites of senior finance can make effective decision-making difficult.

'Systems need to first become stable to then be able to provide leadership and direction. System leaders need to get out and about and talk to a wide range of people to build relationships and develop trust.'

'We need to recognise that there is not yet a feeling of all being in it together yet – we need to get to that genuine feeling rather than fine words.'

'Focus on two or three big issues at a system level that cover clinical, quality and finance to secure the significant change needed, for example discharge processes.'

As with the establishment of any team, there is a need to go through 'forming, storming, norming and performing.' There is a view that agreeing capital plans may well be the 'storming' moment where leaders will be tested as to their commitment to system working if it means that their organisation 'loses out'.

'The current test for system working is the current capital prioritisation, as the varying bids from each sector are weighed up, both in terms of short-term demands and long-term strategy.'

Develop a system financial strategy

ICs need to develop a system financial strategy, which joins up with operational, workforce, digital, quality and environmental strategies. This will require an openness about funding, and the 'fair' allocation of resources. ICs will need to develop a consistent approach to reporting, establishing one version of the truth, and organisations will need to be open about their financial position and forecasts.

'It is important that the chief finance officer of the integrated care board has some empathy with the providers, particularly where there are financial challenges. It can be easy to say that theoretically - savings can be delivered, but we need to check how realistic this is.'

'Financial challenges in a provider are not just the organisation's problems, but at the same time they cannot just pass the problem up to the integrated care board. They need to work together to come up with solutions. Places also need to get to grips with owning the financial gap.'

Additional resources

- [ICS stories: Mid & South Essex Service Line Approach](#) recorded webinar on developing service lines across a system, working closely with clinicians, *HFMA*
- [ICS stories: Capital prioritisation in Nottingham and Nottinghamshire ICS](#) recorded webinar on system-led capital planning, *HFMA*

Conclusion

There are few quick wins for delivering long-term financial sustainability and the challenges that the NHS currently faces are significant. This briefing outlines the essential building blocks required to develop a systematic long-term approach to delivering value, which in turn supports the delivery of high-quality sustainable patient care.

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For over 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA's Academy which was launched in 2017 and has already established strong learner and alumni networks.

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