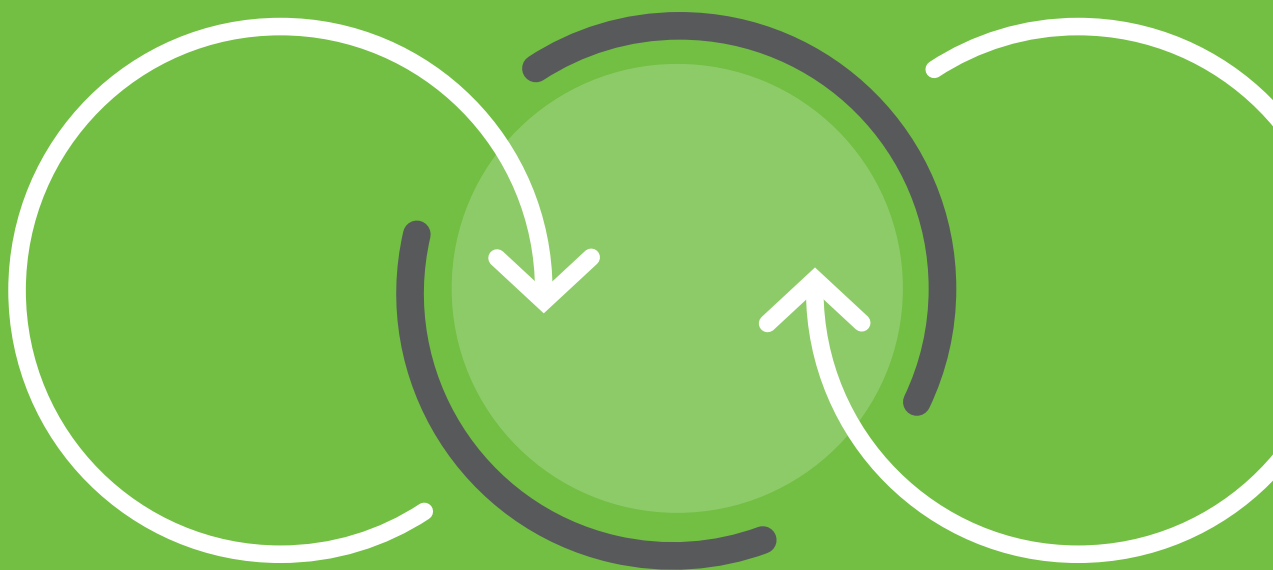


An introduction and glossary to NHS and local government finance and governance in England

November 2019



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Acknowledgements

This briefing was published under the direction of the HFMA's Commissioning Steering Group and Provider Technical Issues Group and CIPFA's Health and Social Care Faculty Board. The authors were Sarah Bence, Debbie Paterson and Sarah Sheen. The contribution of Eleanor Roy and Joanne Pitt are gratefully acknowledged.

Introduction

As health and local government work increasingly closely to deliver public services centred on the service user, all finance professionals need to develop an open and transparent partnership with colleagues across organisations and sectors.

The greatest success will come when everyone has a shared understanding of what is being discussed and what needs to be achieved. This requires clarity of the definitions and terms used. Financial regimes, cultures and terminology differ between health and local government – therein lies the potential for confusion.

This briefing (an update of the 2017 version) begins by outlining the role of relevant national and local NHS and government bodies. It goes on to provide a glossary of terms used frequently in relation to finance and governance in the NHS and local government.

It is not intended to be exhaustive in its coverage – instead, it focuses on key terms that it is helpful for everyone to understand when working collaboratively.

Who does what in the NHS?

This section examines who does what in the NHS in England and how their roles relate to each other in finance and governance terms. The diagram on page 4 shows the key organisations and the way that funds flow between them.

The objective of the **Department of Health and Social Care** (DHSC) is to help people live healthier, more independent lives for longer. It is responsible for ensuring the provision of a comprehensive health service in England through the NHS. It supports the secretary of state for health and social care and other departmental ministers in carrying out their responsibilities for health and social care services by setting national standards, policy and priorities for the NHS.

Arm's length bodies (ALBs)

In constitutional terms, there are three types of ALB:

- Executive agencies – these are part of the DHSC (and are accountable to it) but have greater operational independence than a division or section of the DHSC
- Special health authorities – these are independent bodies, although they are subject to ministerial direction, and are created by order (a statutory instrument)
- Executive non-departmental public bodies (ENDPBs) – these are established by primary legislation and have their own statutory functions. Their relationship with the DHSC is defined in legislation. They play important roles but are not part of the DHSC itself.

The DHSC sponsors several ALBs to undertake specific activities to help deliver its agenda. These can be categorised by function:

Regulatory ALBs hold the health and social care system to account and include:

NHS England and NHS Improvement (NHSE/I) From 1 April 2019, NHS England and NHS Improvement have worked together as a single organisation to support delivery of the *NHS long-term plan*. The new organisation is not a statutory body – it is a collection of organisations working together managed by a single NHS Executive Group, which is jointly chaired by the chief executives of each body. The NHS Executive Group is supported by seven integrated regional teams.

NHS England is an ENDPB working at 'arm's length' from the

DHSC. Its legal name is the NHS Commissioning Board. It is accountable to the secretary of state for health and social care for meeting its legal duties and fulfilling the NHS Mandate. It must stay within its allocated resources and deliver a wide range of improvements in healthcare. It is responsible for some commissioning activities including:

- Primary care services
- National and regional specialised services and other prescribed services
- Offender health services
- Health services for serving personnel and families in the armed forces
- Four public health services: screening; Immunisation; public health services within prisons; and public health services for children up to five years.

It is also responsible for managing the commissioning system for the NHS, primarily through the authorisation and monitoring of clinical commissioning groups (CCGs).

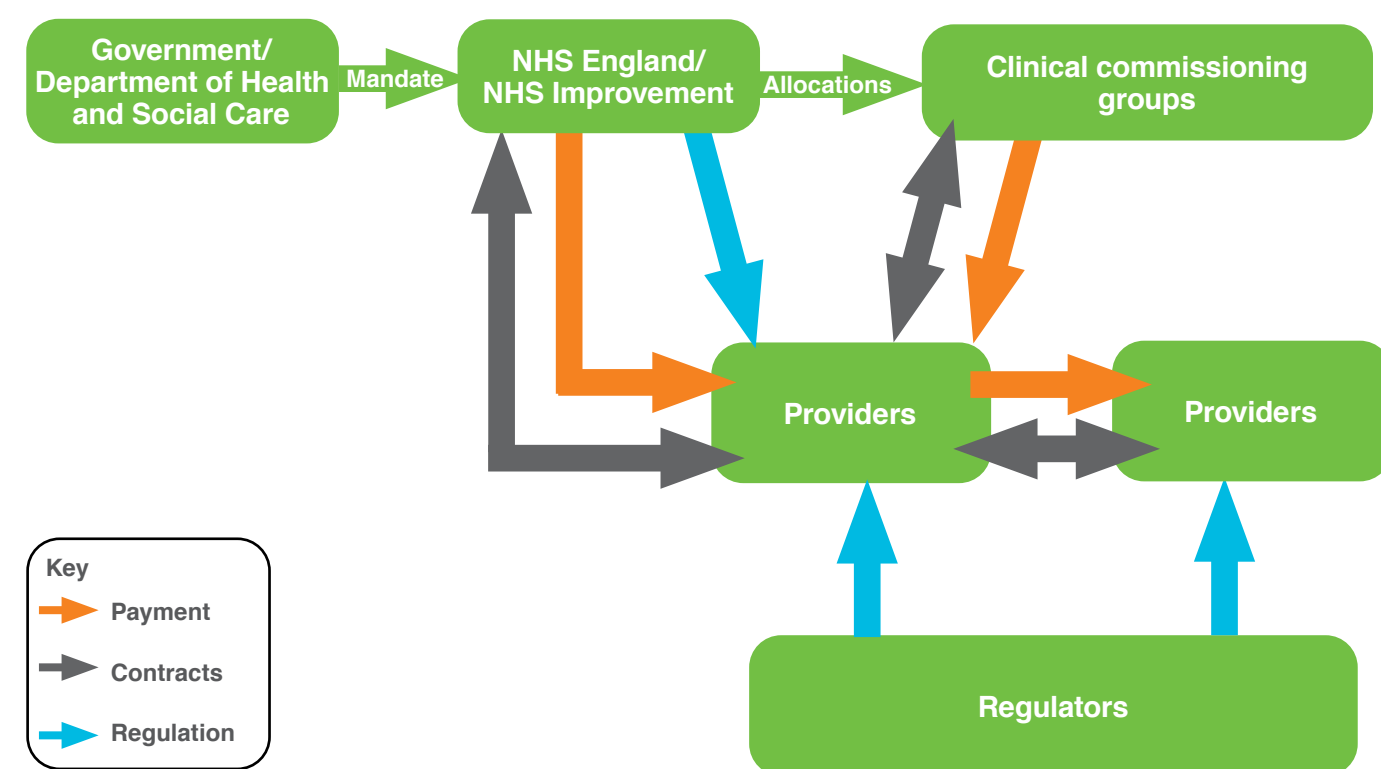
NHS Improvement is the sector regulator for health and social care. It came into being on 1 April 2016, bringing together two separate ALBs – Monitor and the NHS Trust Development Authority (NHS TDA) – along with teams from four other patient safety and improvement functions¹ from across the NHS under a single leadership and operating model. In constitutional terms, NHS Improvement is not a separate legal entity – rather it is an 'integrated management structure' that has been set up to allow Monitor and the NHS TDA to work together closely.

NHS Improvement's role is to support all NHS healthcare providers (foundation and non-foundation NHS trusts) to deliver 'better healthcare, transformed care delivery and sustainable finances'. It aims to do this by supporting providers and local health systems to improve. NHS Improvement also holds the boards of individual NHS providers to account and intervenes when necessary.

The **Care Quality Commission (CQC)** is an ENDPB that is responsible for registering and regulating all providers of health and adult social care in England (including private providers). The CQC is responsible for assessing how providers use their resources. It does this in conjunction with NHS England and NHS Improvement using a jointly developed methodology.

¹ The Patient Safety Domain and Advancing Change Team from NHS England and the National Reporting and Learning System and Intensive Support teams from NHS Interim Management and Support

Key organisations and flow of funds



Standards ALBs focus on establishing national standards and best practice:

The **National Institute for Health and Care Excellence (NICE)** is an ENDPB responsible for national guidance and quality standards to improve the outcomes for people using the NHS and other public health and social care services.

The **NHS Counter Fraud Authority (NHSCFA)** is a special health authority established on 1 November 2017, charged with identifying, investigating and preventing fraud and other economic crime within the NHS and the wider health group.

Providing cost-effective services to the whole of the NHS, some ALBs bring together specific expertise into a single organisation, including:

The **NHS Business Services Authority (NHS BSA)** – a special health authority that provides many central services to NHS organisations, directly to patients and the general public. These include:

- Making payments to dentists and pharmacists
- Providing help with health costs such as prescription charges and dental costs
- Managing the NHS pension scheme
- Managing the electronic staff records (ESR) programme.

Health Education England (HEE) is an ENDPB providing national leadership and oversight on strategic planning and development of the health and public health workforce. It allocates education and training resources, commissioning training for healthcare staff, working through its local education and training boards (LETBs).

NHS Digital is an ENDPB that collects, analyses and publishes data and information relating to health and social care. It also supports the delivery of IT infrastructure, information systems and standards to ensure information flows efficiently and securely across the health and social care system to improve patient outcomes.

NHSX is a unit of the DHSC established in February 2019, bringing together a number of existing teams within the DHSC, NHS England and NHS Improvement. NHSX's aim is to deliver the largest digital health and social care transformation programme in the world. It leads on policy in this area and works on the implementation of these policies.

NHS Resolution is a special health authority that handles negligence claims and works to improve risk management practices in the NHS. It operates the clinical negligence scheme for trusts (CNST), a risk pooling scheme that covers all liabilities arising from medical negligence of employees while operating under their contract of employment with an NHS organisation. The scheme is also available to private healthcare providers. NHS Resolution also operates the liabilities to third parties (LTPS) and property expenses

schemes (PES), which are the first-line insurance policies for NHS providers.

There are also ALBs that focus on **patient safety and the protection of patients and the public**:

Public Health England (PHE) is an executive agency that leads on health protection and harnessing efforts to improve the public's health. It works closely with local authorities that have primary responsibility at local level for health improvement and reducing health inequalities.

Medicines and Healthcare Products Regulatory Agency (MHRA) is an executive agency that operates as a trading fund to enhance and safeguard the health of the public by ensuring that medicines and medical devices work and are safe.

The **Health Research Authority (HRA)** is an ENDPB set up to protect and promote the interests of patients and the public in health research, and to streamline the regulation of research.

NHS-funded research is overseen by the **National Institute for Health Research (NIHR)**. The NIHR is a virtual body funded by the DHSC to improve the health and wealth of the nation through research and is headed by the chief medical officer.

The DHSC is also involved in more **commercial arrangements** to deliver services to the wider NHS:

NHS Shared Business Services (NHS SBS) is a joint venture between the DHSC and Sopra Steria. It provides back-office finance and accounting services to a variety of public and private sector clients, including all commissioning organisations in the NHS in England. This includes the provision and operation of the financial ledger used by all clinical commissioning groups (CCGs) and commissioning support units (CSUs), as well as NHS England and NHS Improvement, including its regional teams. The financial ledger is known as the Integrated Single Financial Environment (ISFE).

Supply Chain Coordination Limited (SCCL) is a limited company. It is wholly owned by the secretary of state for health and social care and was established on 1 April 2018. It is responsible for managing 13 procurement category towers covering medical, capital, non-medical and support services. The management function is also responsible for driving commercial objectives and overseeing continuous improvement.

NHS Property Services Limited and **Community Health Partnerships** are limited companies owned by the secretary of state for health and social care. Both have objectives to deliver savings and optimise the use of the NHS estate.

Commissioners of healthcare

As well as NHS England and NHS Improvement, healthcare is also commissioned by **clinical commissioning groups (CCGs)**. These are statutory member bodies created by the

Health and Social Care Act 2012 and made up of the GP practices within a geographical area. They are responsible for agreeing what care the patients registered with their constituent practices need, negotiating contracts with healthcare providers and monitoring their implementation.

They commission the majority of NHS services for their patients except those services commissioned directly by NHS England and NHS Improvement. Depending on the constitution of the CCG, representatives of each practice may belong to a **council of members**. The **governing body**, which is comprised of lay members and executive officers, oversees the operations of the CCG but reports to the council of members.

Providers of healthcare

NHS-funded healthcare can be provided by a range of organisations both within and outside of the NHS. **Providers** form the other half of the commissioning equation as the organisations that provide the care bought by commissioners. Commissioners can place contracts for the delivery of healthcare with any qualified provider – one that is able to meet the required standards of NHS care and quality and is likely to be one of the following types of organisation:

- **Foundation trusts** are public benefit corporations providing healthcare (acute, community, mental health or ambulance services). They are accountable to local people through members and a **council of governors**. The **board** oversees the operations of the foundation trust and is comprised of non-executive directors and executive officers. Authorisation and ongoing regulation is by NHS England and NHS Improvement
- **Non-foundation NHS trusts** also provide a variety of healthcare services. The **board**, comprised of non-executive directors and executive officers, oversees the operations of the NHS trust. Performance is overseen by NHS England and NHS Improvement.
- **Other qualified providers** (from the private and voluntary sectors) provide NHS care that might involve:
 - The provision of a specific service
 - The provision of additional capacity for an NHS hospital based on an agreed contract and payment arrangement.

Integrated care systems (ICSs) are groups of local organisations working together to redesign care and improve population health, creating shared leadership and action to deliver the 'triple integration' of primary and specialist care, physical and mental health services, and health with social care.

Primary care networks (PCNs) are GP providers working together with community, mental health, social care, pharmacy, hospital and voluntary services in their local areas. PCNs serve populations of between 30,000 and 50,000 people.

Who does what in local government?

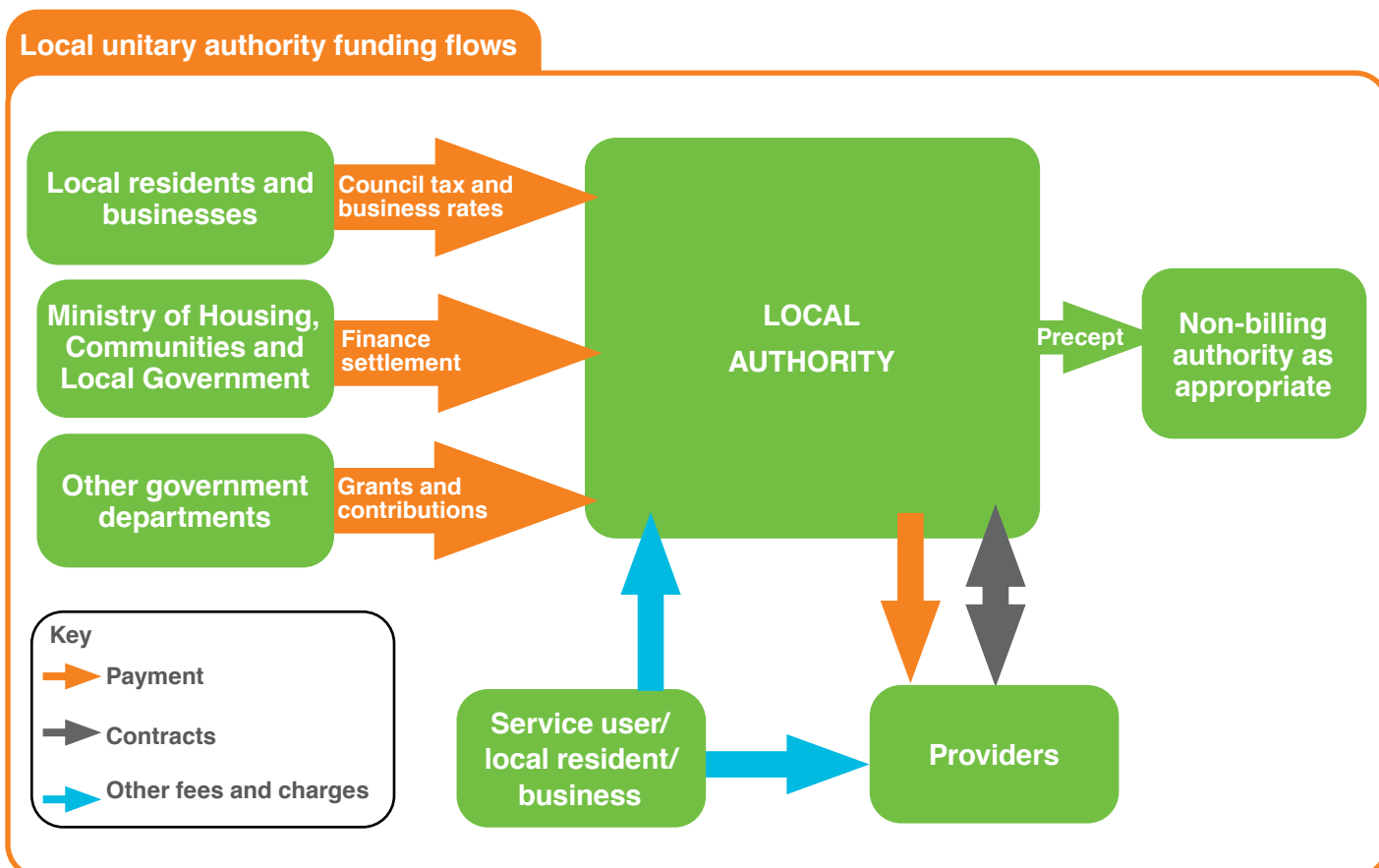
This section examines who does what in local government in England and how their roles relate to each other in finance and governance terms. The diagram below shows a local unitary authority as an example of how the funding flows through the system.

The stated purpose of the **Ministry of Housing, Communities and Local Government** (MHCLG) is to 'create great places to live and work, and to give more power to local people to shape what happens in their area'. It supports the secretary of state for housing, communities and local government and ministers in carrying out their responsibilities for supporting local government, local enterprise zones, and fire and rescue authorities by setting national standards, policy and priorities.

Councils – also known as **local authorities** – are responsible for the economic, social and environmental wellbeing of their areas. They purchase and provide services to local

communities. Councils are organised in different ways in different areas and can fall into one of the following categories:

- **Two-tier** A county council (responsible for county-wide services such as education, transport, planning, fire and public safety, social care, libraries, waste management and trading standards) or a district/city/borough council (responsible for rubbish collection, recycling, council tax collection, housing and planning applications in their area)
- **Unitary** This type of authority can be a metropolitan council (responsible for an urban area), a London borough or a unitary authority (covering the whole or part of a county or a large town or city) and is responsible for all of the services listed above
- **Town, parish and community** These councils are the smallest and most local. They exist in certain parts of the



country for historical reasons. They work to maintain local amenities such as allotments, bus shelters and play areas and may be consulted in relation to planning applications and highway issues.

A two-tier or unitary authority can also be part of a **combined authority**. This is a legal body that enables two or more councils to collaborate and take collective decisions across council boundaries – for example, Greater Manchester, North East and West Midlands Combined Authorities, Liverpool and Sheffield City Regions.

Combined authorities allow councils to be more ambitious in their joint working and take advantage of resources and powers devolved to them by national government. Initial legislation gave combined authorities responsibilities in relation to economic development, regeneration and local transport and while subsequent legislation provides wider scope for local determination, in practice most have concentrated on these three functions.

Some have looked more widely, with Greater Manchester having the widest range of functions, including health and social care, children's services and public health. The *Cities and Local Government Devolution Act 2016* permits combined authorities to establish a directly elected mayor. The first directly elected mayor came into post in 2017 in Greater Manchester.

How a council is governed

A council can operate under one of four models²:

- **A leader and cabinet** The full council elects a leader, who appoints and chairs the cabinet. Each cabinet member has a specific area of responsibility – for example, finance
- **A committee system** The council establishes a number of committees, each with a specific area of responsibility. The political groups appoint elected members to those committees
- **Executive arrangements with a directly elected mayor** A mayor is elected for a fixed term. The mayor's powers are greater than a council leader and he/she may or may not be a member of the majority party on the council. He/she proposes the budget and policy framework and chairs and appoints the cabinet
- **Arrangements prescribed by the secretary of state.**

Whichever model operates, the **council** must meet 'in full', which means all councillors get together to set the overall strategy and policy framework, agree the budget and spending plans, approve the statement of accounts, elect the leader and make constitutional decisions. The full council meeting is also a forum for debate on major issues.

A **councillor** is elected to represent people in a defined geographical area for a fixed term. Councillors sit on the full council and set the overall policy of the authority. They may serve on different council tiers simultaneously. For example, a councillor may sit on both a town council and a metropolitan council.

² Local Government Association, *Councillors' Guide 2019/20*, 2019

Working in partnership

Pooled budgets

Under Section 75 of the *NHS Act 2006* (as amended), the secretary of state can make provision for local authorities and NHS bodies to enter partnership arrangements in relation to certain functions, where these arrangements are likely to lead to an improvement in the way those functions are exercised.

The specific provision for these arrangements is set out in the *NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000*. This subject is covered in more detail in *Pooled budgets and the integration agenda*, HFMA, November 2016.

Sustainability and transformation partnerships (STPs)

The planning guidance for 2016/17 introduced a new structure for the NHS in England based on five-year plans for 44 STP footprints. These footprints were determined locally based on natural communities, patient flows and existing working relationships. Some NHS bodies and local authorities are members of more than one STP.

STPs bring together NHS bodies and local councils responsible for social care provision to develop proposals and make improvements to health and care based on the needs of the local population. STPs are not statutory organisations, but rather partnerships that bring together the statutory bodies in the area.

Integrated care systems (ICSs)

In March 2017, *Next steps on the NHS five-year forward view* was published. The proposal was that STPs would evolve into accountable care systems (ACSs), which would work as a locally integrated health system.

In February 2018, *Refreshing NHS plans for 2018/19* replaced the term ACS with integrated care system (ICS) in which commissioners and NHS providers, working with GP networks, local authorities and other partners, agree to take shared responsibility for how they operate their collective resources for the benefit of their local populations.

This document also set out the ambition that all GP practices should be part of a primary care network to achieve 'complete geographically contiguous population coverage of primary care networks as far as possible by the end of 2018/19'.

The NHS long-term plan

In January 2019, the *NHS long-term plan* was published. This aims to make the NHS fit for the future and to get the most value

for patients out of every pound of taxpayers' investment. The plan sets out a range of aims – making sure everyone gets the best start in life, delivering world-class care for major health problems and supporting people to age well.

It provides a framework for local systems to develop plans, based on principles of collaboration and co-design, with the objective of ICSs covering the whole country by April 2021. It is expected that there will be one CCG for each ICS.

In June 2019, the *NHS long-term plan implementation framework* was published, setting out the requirements on STPs and ICSs in creating their five-year strategic plans. System plans will be aggregated into a national implementation plan and are expected to adhere to the following principles:

- The implementation of commitments in the *NHS long-term plan* that have clinical implications should be clinically led
- Local communities should have meaningful input into a local plan
- Workforce planning should be realistic
- Plans need to include how local systems and organisations will meet the five financial tests set out in the *NHS long-term plan*, including setting out capital investment priorities
- All commitments in the *NHS long-term plan* must be delivered and national access standards must be met
- Implementation of the *NHS long-term plan* should be phased, based on local need
- Health inequalities and unwarranted variation must be reduced
- Local systems should consider how to prevent ill health as well as treat it
- Plans should be developed in conjunction with local authorities
- Local innovation should be harnessed.

NHS Assembly

This is a non-statutory assembly of around 50 stakeholders to advise the board of NHS England and NHS Improvement on delivery of the *NHS long-term plan*.

Glossary of NHS and local government terminology

Health term	Local government term	Meaning
Accounts direction	<i>Accounts and Audit Regulations 2015</i>	<p>These set out detailed rules about the preparation, approval and publication of the annual report and accounts.</p> <p>The regulations for local authorities require them to make their accounts available to electors for inspection, objection and to question the auditor. The regulations require local authorities to follow proper practice in relation to the statement of accounts, which includes the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i>.</p> <p>The directions for NHS bodies require them to comply with the appropriate manual for accounts. NHS bodies present their annual report and accounts at an annual general meeting.</p>
Activity-based budgeting		This produces a budget for a defined activity level. As activity levels change, so do costs and income.
Allocation	Formula funding	<p>An allocation is the amount of money made available to a CCG to purchase healthcare for the patients registered with its constituent practices. The allocation is split into two elements: the programme allocation for all the services provided to manage and improve the health of the local population and running costs; and the resource available to manage and administer those services. <i>See distance from target, page 19.</i></p> <p>In local government, formula funding allocates funding between councils. The formula uses a number of local indicators.</p>
Break-even		When expenses incurred in a period are less than or equal to the income received in that period.
Budget		A financial and/or quantitative statement that is prepared and agreed for a specific future period. The budget usually refers to the budget for the year. However, it is expected that most NHS bodies and local authorities will have longer term budgets to ensure effective financial planning. Budgets can cover three to five years. It translates aims into a statement of the resources needed to fulfil them and has either a monetary or non-monetary value.
Budget manager		The single named individual responsible for ensuring that a particular budget is met and highlighting when the budget is likely to be under or over-spent.
Budget profile		The likely spending or activity pattern during the time period covered by the budget. For example, vehicle tax is due annually, so the budget for that should be in the month that the payment is due rather than being split evenly over a year. Staff costs, on the other hand, are usually incurred evenly over a period of time.
Call-off contract or framework agreement/contract		This is where the terms, conditions and prices (or pricing strategy) are agreed with a supplier or several suppliers for the supply of goods and services. Making orders under the overarching contract is by way of quotation if there is more than one supplier on the framework, or 'calling off' from the single supplier up to an agreed threshold. Contracts usually last between three and five years.
Commissioning		Commissioning starts with a deep understanding of citizens and communities, ensuring services are designed and delivered according to their needs, aspirations and experiences. It considers how best to use allocated resources to improve outcomes.

Glossary of NHS and local government terminology

continued

Health term	Local government term	Meaning
Constitution/ standing orders	Standing orders	The constitution or standing orders translate an organisation's statutory powers into a series of practical rules designed to protect the interests of the organisation, its staff and 'service users'. They specify how the organisation will conduct its business.
Control total		A financial control set by one organisation for another. These are used by NHS England and NHS Improvement to set limits on expenditure and targets for year-end surpluses/deficits for commissioners, providers and STP areas. In local government, this term is variously used, most often to describe the amount of the overall public spending envelope the government decides should be spent by local government.
Establishment		Number of full/whole-time equivalents for each grade of staff budgeted for a department or service.
Forecast outturn/projection		A prediction of the future (year-end) performance of a budget.
Going concern		All accounts prepared in accordance with International Financial Reporting Standards (IFRS) are prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. For public sector bodies, such as NHS bodies and local authorities, this definition is interpreted to focus on whether the services provided by the entity are going to be continued rather than whether the entity providing the service will continue to exist. So, an NHS body that is about to merge with another will still be a going concern as the services it provides will be provided by the new merged body.
Governance		The system by which organisations are directed and controlled. It is concerned with how an organisation is run – how it structures itself and how it is led.
<i>Group accounting manual (GAM), referred to sometimes as the manual for accounts</i>	<i>Code of practice on local authority accounting in the United Kingdom</i>	Both the GAM and the Code set out how health bodies and councils respectively should apply international financial reporting standards (IFRS) as adapted for the public sector when preparing their accounts. They also set out sector-specific disclosures required in the annual report and statement of accounts.
Long-term financial strategy	Medium-term financial strategy (MTFS)	All NHS organisations need to produce medium to long-term financial plans. The exact length of time to be included is determined by the relevant regulator but, recently, five years has been the default position. The MTFS is a rolling financial plan that is updated annually by local authorities. Typically, this will include planned expenditure for three to five years.
Non-recurrent		One-off income, expenditure or savings. For example, a vacant post that is not filled or covered by agency staff for three months results in a non-recurrent saving as no salary is being paid.
Personal health budget (PHB)	Direct payment/ self-directed support (SDS)	The support a person purchases or arranges, to meet agreed health and/or social care outcomes. The money can be made available via a direct payment, a notional budget or a real budget held by a third party. Integrated personal care (IPC) brings personal health and social care budgets together to provide an integrated 'year of care' budget. It can be managed by people themselves or on their behalf by local authorities, the NHS or a voluntary organisation.

Glossary of NHS and local government terminology

continued

Health term	Local government term	Meaning
Pressures		A generic cost pressure is an increase in cost that is generally beyond the control of an individual organisation. A local cost pressure is an increase in cost that, although it may or may not be geographically widespread, is within the control of an individual organisation.
Prime financial policies/standing financial instructions (SFIs)	Financial regulations	Detailed financial procedures and responsibilities.
Provision		A liability of uncertain timing or amount – for example, it may be a charge to the cost of services for liabilities that are known to exist, but must be estimated.
Recurrent		Ongoing income, expenditure or savings.
Statement of cash flows	Cash-flow statement	This statement shows the movement in cash and cash equivalents during the financial year.
Statement of changes in taxpayers' equity	Movement in reserves statement	This statement shows the impact of the financial year on the organisation's reserves.
Statement of comprehensive net expenditure (SOCNE)	Comprehensive income and expenditure statement	This statement shows day-to-day expenditure and any revenue.
Statement of financial position (SOFP)	Balance sheet	This statement shows the assets (what is owned), liabilities (what is owed) and equity/reserves (the taxpayer's investment) as at a point in time, normally a month or year end.
Transformation		Programmes that enable an organisation or number of organisations to fundamentally change the way that a service is provided/delivered.
Variance		The difference between what was budgeted and what actually happens.
Virement		The process of transferring money from one budget heading/line to another.

Terms with different meanings in health and local government

Term	Health meaning	Local government meaning
Balanced budget	A budget that delivers break-even or a surplus	<p>More formally known as the council tax setting requirement. A legal requirement for a local authority to set a budget that requires estimates of:</p> <ul style="list-style-type: none"> • Planned revenue income and expenditure for the year • Allowances for contingencies • Reserves it considers are required for future expenditure needs • Reserves to meet an amount estimated by the authority to be a revenue account deficit for earlier years when setting the council tax requirements for an authority. <p>Where expenditure exceeds income, this is defined as the council tax setting requirement (requiring the budget of the authority to be balanced) – not making a surplus/deficit after transfers to/from reserves. Section 114 of the <i>Local Government Act 1988</i> requires a report to be made if there is/is likely to be unlawful expenditure or an unbalanced budget. Serious consequences could follow this. Sound procedures and consultation are recommended before doing so.³</p>
Service level agreement	An agreement that may be used by commissioners and providers where the NHS standard contract does not apply.	An agreement between the provider and user of a service setting out the service to be provided and the associated charges.
Consolidation	<p>The requirement for individual NHS bodies' accounts to be included in a consolidated set of accounts with other bodies under common control. NHS Improvement prepares a set of accounts consolidating all foundation trusts' accounts, as well as another set consolidating all NHS providers' accounts. NHS England consolidates CCGs' accounts into its own. All NHS bodies' accounts are consolidated into the DHSC's accounts.</p> <p>NHS bodies may have material subsidiaries that are consolidated into their accounts in accordance with accounting standards. These could be subsidiary companies or partnerships or charities where the NHS body is the corporate trustee of the charity.</p>	Where local authorities have subsidiaries and interests in other entities that are material, they will be consolidated into their statements of account. The consolidation therefore takes place at local authority level where the local authority is the parent. Local authorities' accounts are not consolidated except under the requirements for whole of government accounts (WGA). Local authorities prepare WGA returns to allow this to happen.
General fund	The taxpayers' equity in a CCG. It is where Parliamentary funding is shown in the accounts.	The main revenue fund from which the cost of services and the council's operations are met.
Incremental/historical budget/base budget	The previous year's budget adjusted for all known changes and developments.	The basis generally adopted as a starting point in preparing a council's budget for the coming financial year. It provides for the continuation of current policies and is updated to include a further year's estimated inflation.

³ For further information see Appendix A of CIPFA, *The role of the chief financial officer in local government*, 2016

Terms with different meanings in health and local government

continued

Term	Health meaning	Local government meaning
Over-performance	A contract where actual activity is exceeding planned performance levels. From a commissioner perspective, a contract that is over-performing against its plan that is causing a financial pressure. The reverse may be the case for an NHS provider that is reimbursed under the national tariff.	A contract that is delivering above expectations and is considered to be a positive state delivering value for money.
Reserves	In financial reporting terms, a reserve is the residual interest of an entity after deducting all its liabilities.	
	In the NHS, reserves in the final accounts cannot be used for any purpose. NHS bodies can have positive or negative reserves, but having negative reserves does not mean the NHS body is not a going concern. Management may hold reserves centrally as a contingency measure – in this context, the reserve is essentially some budgeted income not being allocated to budgets so it can be used to manage the financial performance of the whole organisation.	There are two types of local authority reserves: <ul style="list-style-type: none"> • Usable reserves that can currently be used to fund expenditure • Unusable reserves that cannot be used but are used for other purposes such as the management of the timing of the recognition of expenditure in accordance with statutory requirements.
Under-performance	A contract where actual activity is less than planned performance levels. From a provider perspective, a contract that is under-performing against its plan causes a financial pressure where the reimbursement is under the national tariff. The reverse may be the case for the commissioner.	A contract that is delivering below expectations and therefore may be delivering poor value for money.
Value for money	Making the best use of resources through: <ul style="list-style-type: none"> • Economy – minimising costs • Efficiency – getting the best outcome for the resources used • Effectiveness – aligning intended and actual outcomes. Auditors of NHS bodies and local authorities have a duty to review an entity's arrangements for achieving value for money. The CQC (in conjunction with NHS Improvement) also assess whether acute NHS providers are achieving value for money.	
VAT	NHS bodies operate under Section 41 of the <i>VAT Act 1994</i> . They are recompensed through their funding arrangements for VAT that cannot be reclaimed. However, they can reclaim some VAT under the <i>Treasury (Contracting Out) Directions</i> .	Local authorities operate under Section 33 of the <i>VAT Act 1994</i> . They can reclaim most of the VAT they incur in performing their functions.

Local government terms health colleagues might find helpful

Term	Health meaning
Best value	The duty to secure continuous improvement in the economy, efficiency and effectiveness with which a local authority exercises its functions.
Billing authority	District, unitary, metropolitan and London borough councils that collect council tax and non-domestic rates on behalf of all local councils.
Budget book	The budget book presents the budgeted spending plans for the authority's revenue and capital activities as approved at full council. In some authorities, the budget book may be prepared on a service line or cost centre basis for key budget holders. In addition to the final agreed budget, the budget book typically contains information regarding: the calculation of the council tax; the predicted reserves and balances; the capital programme for the medium term including future years; key facts and statistics about each department.
Budget estimate	Local authorities' estimates of their planned expenditure for the forthcoming year.
Budget requirement	Amount a council needs to fund its spending from council tax, non-domestic rates and the revenue support grant.
Business rates	Also referred to as non-domestic rates, business rates are a means of raising revenue for local government through local taxation of businesses. Historically business rates were collected by local councils on behalf of central government. The business rates retention scheme reformed the way local government is funded. Under the business rates retention scheme, authorities overall keep at least half of the local business rates revenue as well as the growth on their share. There is currently a review of the business rate retention scheme to determine the percentage retained by local authorities.
Cash limit	Amount of cash an individual budget holder may spend on activities during the year, already adjusted for inflation.
Client group approach	An objective method of estimating the relative need of local authorities to incur expenditure on a service or subservice, taking into account variations in the demand for services and the costs of providing them to a similar standard and with a similar degree of efficiency.
Collection fund	An account maintained by a billing authority recording the amounts collected in council tax and non-domestic rates, from which it distributes the income to itself and its major preceptors and its central share (the amount paid to government) for non-domestic rates.
Community budget	A budget created by several public sector organisations combining their resources.
Contracting out	The practice of purchasing services from charities and companies rather than the authority's own workforce providing the service. Used especially where the service was formerly carried out 'in house'.
Council tax	Tax collected from households by local authorities based on the estimated value of a property and the number of people living in it. Current legislation requires local authorities to hold a local referendum where they wish to increase council tax by more than a set percentage (normally this is 2%, excluding the social care precept).
Current expenditure	Revenue expenditure (chargeable against service cash limits) consisting of day-to-day expenditure under the control of the service – for example, staff and supplies.
Discretionary expenditure	Expenditure incurred by a local authority that relates to services that it is not legally obliged to provide.
Earmarked reserves	An authority may choose to earmark reserves, putting aside resources to deliver specific longer term objectives – for example, the replacement of vehicles, plant and equipment or for contingency purposes. The purpose and usage of each earmarked reserve should be clearly set out in the statement of accounts.
Gearing (council tax)	A measure of the impact on council taxes of increasing budgets. This varies widely between local authorities with considerable effect on budget planning and the extent of local accountability. For example, if an authority meets 25% of its budget through council tax, a 1% increase in budget would lead to a 4% increase in council tax, assuming such an increase is possible.

Local government terms health colleagues might find helpful

continued

Term	Health meaning
Housing revenue account (HRA)	A statutory account used to record the income and expenditure related to council housing. It is ring-fenced and cannot subsidise or be subsidised by other services or activities of the council.
Health and Well-Being Board (HWB)	Introduced by the <i>Health and Social Care Act 2012</i> , HWBs are forums of key leaders from the health and care system. Every upper tier local authority has a HWB to join up commissioning across the NHS, social care, public health and other services that are directly related to health and well-being in the local area.
Individual service fund (ISF)	An individual service fund is an amount of money paid directly to a home care provider on behalf of a service user. The home care provider works directly with the service user to agree how the care and support will be arranged.
Joint (working) arrangement	The transfer of money between one local authority and another for a specific purpose or enterprise, or when one authority carries out work on behalf of another. Note that there is a different accounting definition of a joint arrangement.
Joint funding	Where two or more agencies - for example, health and social services – agree to share the cost of running a project or service. This may make use of pooled budget arrangements.
Joint investment plans	Plans for purchasing care services jointly, produced by health organisations and local authorities, as well as other key agencies and representatives of service users and carers.
Key decision	A decision that involves significant amounts of expenditure or saving (more than £0.5m), or which affects two or more local government wards. Key decisions must be made in public.
Levy	A (general) levy is an amount of money a local authority is compelled to collect (and include in its budget) on behalf of another organisation – for example, a government agency – and which (unlike a precept) appears as a separate item on the council tax bill.
Local government finance settlement	This is announced annually and sets out the amount of funding (or revenue support grant) local government will receive for the following year from central government. Proposals are made in December with the final settlement being announced following consultation in January.
Local Government Pension Scheme (LGPS)	A nationwide scheme for employees in local government (excluding teachers, police and fire fighters, who have separate arrangements). It is a funded defined benefit scheme with investments managed by local authorities.
Major preceptors	County councils, the Greater London Authority and police and fire authorities who collect their share of council tax through a precept on their billing authority.
Net revenue expenditure	The amount a local council spends on providing services after non-tax income, capital financing costs and specific government grants are considered.
Non-discretionary expenditure	Services/activities that are required by statute to be provided by local government – for example, education. This is the first priority for local government spending.
Original budget	A term used to describe the budget set in the February prior to each financial year. It is used once the financial year has begun, to distinguish it from the revised budget. Follows the base budget, but allows for growth (or savings) and other variations.
Overview and Scrutiny Committee (OSC) (Health)	Committee of councillors providing overview and scrutiny of local NHS organisations by powers set out in chapter 38 of the <i>Local Government Act 2000</i> . The aim is health improvement for local communities by giving democratically elected representatives the right to scrutinise how local health services are provided/developed. Internal scrutiny committees also enable non-executive councillors to scrutinise decisions made by the Executive.
Precept	Total amount non-billing organisations such as the police require the billing authority to collect on their behalf.
Prudential borrowing	Regime for council borrowing that allows local authorities to borrow without direct recourse to central government. Councils must demonstrate that they can afford to service the debt from their own resources by means of a set of financial indicators (as prescribed by the CIPFA <i>Prudential code</i>).
Revenue support grant (RSG)	General grant that is paid to local authorities by the government to support their expenditure.

Local government terms health colleagues might find helpful

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Term	Health meaning
Revised budget	This is constructed from the original budget for the year and virements to adjust for known under- or over-spending within the overall cash limit for the service.
Section 151 officer	Section 151 of the <i>Local Government Act 1972</i> requires every local authority to make arrangements for the proper administration of their financial affairs. This includes the requirement for one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies.
Senior officer	Led by the chief executive and chief officers, senior officers are responsible for advising the cabinet and scrutiny committees on policy and implementing councillors' decisions.
Service expenditure analysis (SEA)	The service expenditure analysis provides a set of objective reporting requirements to analyse the services of a local authority. It aims to promote consistency between local authorities in the reporting of financial performance. It applies now to local government statistical returns and relevant reports of performance but is not required as a segmental analysis in the Comprehensive Income and Expenditure Statement. Examples of these returns include the Revenue Account Budget (RA) and the Revenue Outturn (RO) forms collected by MHCLG. This information is used to inform ministers in setting government policy and in the assessment of grants payable to authorities for carrying out their statutory functions. Aggregate data for all local authorities also goes towards the makeup of the national accounts. MHCLG uses statistical information in its regular statistical releases and live tables.
Social care precept	Ability for local authorities to raise additional council tax funding specifically for social care expenditure.
Specific government grants	Grants given to local authorities by the government to support specific activities or projects – for example, the disabilities facilities grant (part of the better care fund).
Total Revenue Funding (TRF)	The total amount of money paid by the government to local authorities through the core local government finance settlement in support of their non-housing net revenue expenditure.
Trading accounts	Trading accounts are used to record financial performance, and a measure of surplus or deficit, where local authorities have set up a trading 'arm' to provide goods or services.

Health terms local authority colleagues might find helpful

Term	Health meaning
Accountable/ accounting officer	The accountable officer (AO) is responsible for ensuring that his or her organisation operates effectively, economically and with probity, makes good use of resources and keeps proper accounts. For NHS trusts, the accountable officer is the chief executive who is accountable to Parliament via the DHSC's accounting officer (the permanent secretary). For CCGs, it is either the chief officer or the chief clinical officer who is accountable to Parliament via NHS England's accounting officer (the chief executive). In foundation trusts, the chief executive is the accounting officer who is directly responsible to Parliament.
Agenda for change (AFC or A4C)	This is the NHS-wide pay scale for all NHS staff except for medical and dental staff and some senior managers. Each relevant job role in the NHS is matched to a band on the agenda for change pay scale.
Aligned incentive contract	An alternative contracting and payment mechanism to a cost and volume contract based on national tariff where commissioners and providers work together to achieve a financially stable outcome. It is designed to formally contract all parties to work collaboratively to achieve performance delivery and also manage the risks associated with a traditional contract based on national tariff.
Best practice tariff	Rather than being set at the national average cost of delivering the procedures concerned, best practice tariffs reflect the costs of delivering treatments in line with NICE guidance – for example, by undertaking cholecystectomies (gall bladder removal) as day case procedures or admitting stroke patients directly to a dedicated stroke unit. They financially incentivise the clinically appropriate model against other ways of treating the same condition.
Blended payment	A payment approach involving a mix of fixed and variable elements. The fixed payment is based on agreed forecast activity levels, with the variable payment reflecting actual activity levels. Blended payment approaches are the default under the national tariff's rules for emergency care and mental health services in 2019/20.
Block contract	A healthcare provider receives a 'lump sum' payment to provide a service irrespective of the number of patients treated or the type of treatment provided.
Board assurance framework	This records the key processes used to manage the organisation and the principle risks to meeting its strategic objectives.
Break-even	Income is greater than or equal to expenditure. Although the break-even duty is a statutory requirement for NHS trusts, all NHS bodies are expected to operate a balanced budget ensuring that total expenditure does not exceed total income.
Capital departmental expenditure limit (CDEL)	A limit on the amount of capital expenditure in an accounting year that can be incurred by all of the bodies in the DHSC group. NHS England, CCGs and non-foundation trusts are all required to contain their capital expenditure within a capital resource limit (CRL).
Care cluster	The unit of activity or currency used for adult mental health and learning disability services.
Clinical governance	A framework of processes, systems and controls that helps NHS organisations demonstrate accountability for continuously improving the quality of their services and safeguarding high standards of care.
Co-commissioning	The term used to describe arrangements where two or more commissioning organisations align their commissioning systems and priorities for the purpose of achieving shared outcomes while retaining separate responsibility for managing their own resources to support this. It is normally an arrangement made between a CCG and NHS England and NHS Improvement in relation to primary medical services provided by GPs.
Collaborative commissioning	The term used to describe arrangements where NHS England and NHS Improvement and CCGs work together to commission specialised healthcare services. It is currently at an early stage, with specialised services still commissioned by NHS England and NHS Improvement.
Commissioner requested services (CRS)	Those services that local commissioners believe must continue to be delivered to local patients should the provider fail, where there is no alternative provider and where removing the services would significantly increase health inequalities or make other services unviable.

Health terms local authority colleagues might find helpful

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Term	Health meaning
Commissioning for quality and innovation (CQUIN)	Payments designed to ensure that a proportion of providers' income is conditional on quality and innovation and is linked to service improvement.
Cost and volume contracts	Contracts where a fixed sum is paid for access to a defined range and volume of services; if activity varies from the planned level, a variation payment is made according to a variation or threshold agreement clause. This determines the marginal or 'per unit' rate of payment for higher or lower than planned performance.
Cost improvement programme (CIP)	Sets out the savings that an NHS organisation plans to make to reduce its expenditure/increase efficiency. It is used to close the gap between the income received by the NHS body and the expenditure incurred in any one year.
Cost per case contracts	Commonplace for individual, expensive and bespoke care package agreements, these contracts identify for each episode or unit of care a payment to the service provider.
Council of governors	Foundation trusts have governors who are elected from the public and staff members. Governors hold the foundation trust's non-executive directors to account for the performance of the board and represent the interests of all members and the public.
Council of members	All GP practices in the geographical area covered by a CCG are members of that CCG. Depending on the constitution of the CCG, representatives of each practice may belong to a council of members.
Currency	A defined unit of output activity or healthcare that is paid for by commissioners.
Data quality improvement plans	These are agreed between commissioners and providers to improve the capture, quality and flow of data that is essential for the effective management of contracts.
Demand management	A key part of the commissioning cycle that involves using planning and forecasting skills to ensure patients receive the most appropriate care in the right setting. It is not about managing the number and type of referrals.
Distance from target (DFT)	The difference between a CCG's target allocation and its actual share of available resources based on the health needs of its population. The target allocation of each CCG is determined by a formula that takes account of the number of patients registered with each GP practice; the age and recent diagnostic history of those patients; the relative level of deprivation and unmet health needs.
Drawdown	This can refer either to an amount of carried-forward surplus that a CCG is allowed by NHS England and NHS Improvement to spend in year over and above its allocation, or it can refer to an amount of cash drawn down by a CCG to finance their monthly expenditure.
Financial improvement trajectories/deficit recovery trajectories	Each NHS provider and commissioner will be set a financial improvement trajectory by NHS England and NHS Improvement. This is the financial performance (surplus or deficit) that they expect the NHS body to be able to achieve before the receipt of any allocation from the financial recovery fund (FRF).
Financial recovery fund (FRF)	A fund held by NHS England and NHS Improvement that is available to providers and CCGs in deficit when they meet predetermined criteria. Usually, these criteria are financial – to meet the control total or to remain within financial improvement trajectories. From 2020/21, a material part of the FRF will be linked to the achievement of system-wide financial improvement trajectories – the sum of all of the financial trajectories in an STP or ICS area. The FRF replaces the provider sustainability fund (PSF), available to all providers that met their control total, and the commissioner sustainability fund (CSF), which supported CCGs in deficit.
General conditions	Part of the NHS standard contract, these contain fixed conditions that apply to all services and all types of provider, including mechanisms for contract management and generic legal requirements. General conditions cannot be varied.
Getting it right first time (GIRFT) programme	A national benchmarking programme developed by the Royal National Orthopaedic Hospital NHS Trust supported by NHS England and NHS Improvement. Led by clinicians, examination of clinical data enables an NHS provider's clinical performance to be peer reviewed, unwarranted variations in care to be identified and practice changed and improved.

Health terms local authority colleagues might find helpful

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Term	Health meaning
Governing body or board	The organisation's pre-eminent group that takes corporate responsibility for the strategies and actions of the organisation and is accountable to the public for the services provided. It sets the strategy and objectives for the organisation, monitors their achievement, and looks for potential problems and risks that might prevent them being achieved.
Healthcare resource groups (HRGs)	Currency used to collate the costs of procedures/diagnoses into common groupings to which prices can be applied.
Integrated care system (ICS)	ICSs brings together local organisations to redesign care and improve population health, creating shared leadership and action to deliver the 'triple integration' of primary and specialist care, physical and mental health services, and health with social care.
Lay member	A member of a CCG's governing body who is not directly employed by the organisation. They are normally appointed by the organisation's nominations committee based on their individual skills and what they will bring to the overall composition of the governing body. Lay members are expected to challenge decisions and strategies.
Lead commissioning	This commissioning model enables CCGs to work together so that a single multilateral contract is negotiated by the co-ordinating or lead commissioner with the local service provider on behalf of other CCGs.
Local price	A price negotiated and agreed between a commissioner and a healthcare provider for a healthcare activity when a national pre-set price does not exist.
Mandate	The agreement between NHS England and NHS Improvement and the Department for Health and Social Care that sets out the expenditure limits for NHS England and NHS Improvement and what is expected to be delivered with the funding provided.
Marginal rate emergency tariff (MRET)	An adjustment made to the amount a provider of emergency services is reimbursed to encourage health economies to redesign emergency services and manage patient demand for those services. A provider is paid a percentage of the national price for each patient admitted as an emergency over and above a set threshold.
Market forces factor (MFF)	A percentage applied to the national price set in the national tariff for each provider body, which reflects the impact of operating in that geographical area on their costs – for example, London weighting for staff costs.
Material transaction	Where a transaction is classified as material, NHS England and NHS Improvement will, as part of its overall assessment of risk, request evidence in the form of a certification that the board has satisfied itself in a number of areas, including due diligence and options appraisal.
Model hospital	A digital information service provided by NHS Improvement to all NHS providers. It contains comprehensive activity, performance and cost data from a wide variety of sources and enables providers to compare performance to help improve productivity and efficiency.
National price	The price set by NHS England and NHS Improvement for a defined unit of healthcare. It is the amount paid by a commissioner to reimburse a provider of NHS-funded healthcare.
National tariff	The system of financial flows to move funds around the health service. It enables healthcare providers in England to be reimbursed for the costs of providing treatment.
Never events	A key indicator of quality, these are serious patient safety events that are largely preventable. They must be recorded in contract monitoring information.
NHS Oversight Framework	The joint approach taken by NHS England and NHS Improvement to oversee NHS bodies' performance and identify when they may need support. This joint framework was introduced in August 2019 and replaced the single oversight framework for NHS providers and the improvement and assessment framework for CCGs. The framework places NHS bodies into segments or categories – 1 is maximum autonomy and 4 is for NHS bodies in risk of breach of their statutory duties with very serious/complex issues to address.
NHS RightCare	Part of NHS England and NHS Improvement's financial sustainability programme, NHS RightCare is focused on increasing value for patients by reducing clinical and financial variation in how healthcare services are delivered.

Health terms local authority colleagues might find helpful

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Term	Health meaning
NHS standard contract	The contract used for agreements between commissioners and providers of NHS-funded care. A standard framework is produced each year by NHS England and NHS Improvement, which is then added to locally. It is comprised of three parts: the particulars; the service conditions; the general conditions.
Non-executive director (NED)	A member of a trust/foundation trust board not directly employed by the organisation. For trusts they are appointed by NHS Improvement. Foundation trusts appoint them through their own nominations committee. NEDs are chosen based on the individual skills and experience they bring to the overall composition of the governing body. They are expected to challenge decisions and strategies proposed by management.
Operational/operating plans (OPs)	Set out how an NHS organisation plans to meet national and local priorities within the resources available to it. It is produced as part of the annual planning process.
Particulars	The particulars to the standard contract set out the key parties involved and the dates by which the contract must be agreed and signed.
Pathway price	A price based on a patient pathway (an outline of what is likely to happen on the patient's journey). Commonly used for maternity services where the pathway is split into stages: ante-natal; delivery; post-natal.
Patient-level costing and information system (PLICS)	Computer software that enables an organisation to determine and analyse patient-level costs. This information can help organisations to understand whether cost variations result from differences between patients or between how their treatment was delivered.
Penalties	NHS commissioners may exercise a contractual right to retain an element of payment when a healthcare provider breaches one or more national standard set out in the NHS standard contract.
Prescribed specialised services	Also known as specialised services, these are healthcare services that are high in cost and low in volume and can often only be provided by a few specialist organisations (sometimes referred to as tertiary providers). The nature of these services mean they are commissioned by NHS England and NHS Improvement as a national overview is needed.
Public dividend capital (PDC)	Represents DHSC's equity interest in defined public assets across the NHS. PDC has been issued as non-repayable cash support for capital expenditure. PDC is also occasionally used to support revenue cash shortfalls instead of repayable loans.
PDC dividend	All provider bodies are required to make a payment of 3.5% of their net assets to the DHSC each year. Provider bodies with net liabilities do not pay a dividend.
Primary care network (PCN)	Neighbouring GP providers working together with community, mental health, social care, pharmacy, hospital and voluntary services in their local areas in primary care networks. PCNs serve populations of between 30,000 and 50,000 people.
QIPP (Quality, innovation, productivity and prevention)	A programme designed to identify savings that can be reinvested in the health service and improve the quality of care. Responsibility for achievement lies with CCGs.
Resource/revenue departmental expenditure limit (RDEL)	A limit on the amount of expenditure in an accounting year on revenue items. This is set by HM Treasury for the DHSC based on the amount of resource voted to the DHSC by Parliament. The DHSC, in turn, sets a limit on revenue expenditure that NHS England, CCGs and other arm's length bodies can incur – the revenue resource limit.
Running cost allowance	The money allocated to CCGs to pay for clinical and non-clinical management and administrative support including commissioning support services.
Secondary uses service (SUS)	This provides anonymised patient-based data for purposes other than direct patient care. These 'secondary uses' include functions such as healthcare planning, commissioning, public health, clinical audit, benchmarking, performance improvement, research and clinical governance.
Serious incidents (previously serious untoward incidents, SUI)	Serious incidents in healthcare are adverse events, where the consequences to patients, families and carers, staff or organisations are so significant, or the potential for learning is so great, that a heightened level of response is justified.

Health terms local authority colleagues might find helpful

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Term	Health meaning
Service conditions	Part of the NHS standard contract, these contain the generic, system-wide clauses that relate to the delivery of services – for example, the need for the service provider to publish, maintain and operate a consent policy.
Service delivery and improvement plans (SDIPs)	Mandated plans that describe changes to services during the contract period.
Service line management (SLM)	An 'organisation structure and management framework' where specialist clinical areas are identified and managed as distinct operational units.
Service line reporting (SLR)	Looking in detail at the profitability and financial contribution of services in much the same way as a private sector company analyses its business units. When supported by patient-level costing information, this allows clinicians to relate service delivery actions to costs.
Service specifications	Describe the services covered by the standard contract. They can describe services in terms of patient pathways, mental health care clusters, individual service or service user.
Significant transaction	Very large changes or proposals that require a full review by NHS England and NHS Improvement. The review will be based on an assessment of strategy, transaction execution, quality and finance. The financial aspects will be based on NHS England and NHS Improvement's view of the organisation's long-term financial sustainability that will be subjected to stress or downside testing.
Standards of business conduct	First published in 1993, the standards of business conduct are the strict ethical standards to be applied by all staff when conducting NHS business. They include the standards expected of all NHS staff and the measures that NHS organisations need to take to safeguard themselves. For example, they include the requirement to prevent bribery taking place with the introduction of the <i>Bribery Act 2010</i> .
Target allocation	This is the amount that NHS England and NHS Improvement calculates a CCG ought to require given its geography, demographics, deprivation and health needs. Note that this will often differ from the actual allocation because historically CCGs have not been funded at a level that matches their target allocation.
Total departmental expenditure limit (TDEL)	A limit on the amount of expenditure in an accounting year for both capital and revenue items. This limit is often set so as to explicitly exclude depreciation and impairments (ordinarily included within RDEL).
Variations	Variations to the standard contract must be agreed between both parties to the original contract. Any such variations are normally recorded in a 'deed of variation' that is agreed by both the commissioner(s) and the provider, following prescribed procedures.
Year of care payment	A payment to a healthcare provider that pays for specified treatment and care for one patient during the course of the year.



About CIPFA

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies and major accountancy firms, anywhere where public money needs to be effectively and efficiently managed. As the world's only professional accountancy body to specialise in public services, CIPFA's qualifications are the foundation for a career in public finance. We also champion high performance in public services, translating our experience and insight into clear advice and practical services. Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance.

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff working in healthcare. For 70 years it has provided independent support and guidance to its members and the wider healthcare community.

It is a charitable organisation that promotes the highest professional standards and innovation in financial management and governance across the UK health economy through its local and national networks. The association analyses and responds to national policy and aims to exert influence in shaping the healthcare agenda. It also works with other organisations with shared aims in order to promote financial management and governance approaches that really are 'fit for purpose' and effective.

The HFMA is the biggest provider of healthcare finance and business education and training in the UK. It 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 association is also an accredited provider of continuing professional development, delivered through a range of events, e-learning and training. In 2019 the HFMA was approved as a main training provider on the Register of Apprenticeship Training Providers and will be offering and developing a range of apprenticeships aimed at healthcare staff from 2020.

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HEA.FIN.067 03/17

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