

DECEMBER 2013

HFMA AWARDS 2013



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DOUBLE WINNERS



HEALTHCAREFINANCE
SUPPLEMENT

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WELCOME

The HFMA Awards celebrate once again the best in NHS finance across the UK, showcasing best practice and achievements in financial management and governance.

For this year's awards, there was a record number of entries and the quality of the submissions continues to improve, giving the members of the judging panels an even tougher time to decide on the best of the best.

Nine industry awards, which aim to spread best practice, were handed out at a ceremony held during the HFMA annual conference in December. More than 700 colleagues celebrated their achievements at the event, and also acclaimed several new HFMA honorary fellowships and one Outstanding Contribution Award.



Hertfordshire Partnership's winning accounts team



Dr David Fearnley was named Clinician of the Year



Bolton CCG won the Best New Organisation title



Winning line-up: the 2013 winners celebrate their success



Shared honours: Bill Shields and Colin Martin (pictured above) were both named as Finance Directors of the Year



HFMA 2013 president Tony Whitfield gets proceedings under way



Outstanding contributor: former HFMA chairman Chris Calkin with Tony Whitfield



The awards ceremony was held during the association's annual conference – its biggest to date



I-r: Graham Moore, NHS Supply Chain; HFMA 2013 president Tony Whitfield; winners Colin Martin and Bill Shields; and NHS Trust Development Authority finance director Bob Alexander

DOUBLE AWARD

IN A FIRST for the HFMA Finance Director of the Year Award, judges decided to name two winners. Colin Martin and Bill Shields were commended for the years of leadership they have given to the service, as well as specific contributions to the financial wellbeing of their organisations over the past year.

Colin Martin

Tees, Esk and Wear Valleys NHS Foundation Trust director of finance and deputy chief executive Colin Martin was nominated by his chief executive, Martin Barkley, for his outstanding contribution to the trust. He said Mr Martin's understanding of the mental health sector was reflected in the trust's financial strategy, which had enabled the delivery and development of high-quality clinical services.

He has a strong track record of financial success. In 2008, he led the trust's successful foundation trust application and since authorisation has consistently recorded a financial risk rating of 4. Mr Barkley said this is due to an efficient cost base and Mr Martin's ability to

Sponsored by NHS Supply Chain

- **Winners** Colin Martin, Tees, Esk and Wear Valleys NHS Foundation Trust; Bill Shields, Imperial College Healthcare NHS Trust
- **Also shortlisted** Jeff Buggle, East Kent Hospitals University NHS Foundation Trust; Keith Loveman, Hertfordshire Partnership University NHS Foundation Trust

WHAT THE JUDGES SAID

"Colin Martin's personal leadership in the achievement of a ground-breaking PFI buy-out is hugely impressive"

engage with clinicians to help deliver year-on-year efficiency savings.

Strong financial performance has allowed the trust to focus on quality and value, using its Quality improvement system, which has been ably supported by Mr Martin, the chief executive said.

A key contributor to HFMA mental health finance groups, he has been an influential figure in the development of mental health currencies that will be used in a future payment mechanism. Mr Martin is working with Monitor and NHS England to develop methodology and guidance in this area.

The trust had three private finance initiative hospitals, but this is now down to two after Mr Martin negotiated the buy-out of one hospital in 2010. An innovative business case proposed using surplus cash balances to buy out the PFI for more than £18m. In the process, the trust became the first to terminate a PFI contract, leading to savings of £1.45m a year.

Mr Barkley described him as a 'model director', leading by example and seeking to nurture his finance team. His nomination

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Clive Mosby
Head of Procurement, Mid Cheshire Hospitals NHS Foundation Trust

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was supported by a wide range of clinical, executive and non-executive colleagues from across the North East.

The judges paid tribute to his leadership. 'Colin has led his trust with great distinction and ability over a number of years,' they said. 'His personal leadership in the achievement of a groundbreaking PFI buy-out is hugely impressive. The awards panel noted in particular the widespread clinical endorsement of Colin's nomination. Colin has been a real leader in the field of mental health finance for a number of years and provides a fabulous role model for others in the sector to emulate.'

'I am chuffed, shocked and surprised to win the award,' said Mr Martin. 'When I was nominated by the people I work with, that was the nicest thing. I never thought I'd be referred to as one of the top people in the service.'

Much of his work has fitted the 2013 presidential theme, 'Knowing the business'. His work on PBR in mental health was prompted by a desire to get the right resources and outcomes for patients. 'I've been a finance director for 15 years and worked alongside a lot of great people – staff and patients – in mental health services. Just being able to work with them makes it worthwhile,' he said.

Bill Shields

While the turnaround at Imperial College Healthcare NHS Trust is well known in NHS finance circles, it is worth repeating. In October 2011, when Bill Shields joined the trust as chief financial officer, it was forecasting a year-end deficit of £53m, but this was turned into a £9m surplus in 2012/13. In 2013/14, it has a planned year-end surplus of £15m. The turnaround is due to Mr Shields' leadership, according to Sarika Patel, chair of the trust's finance and investment committee, who nominated him for the Finance Director of the Year Award.

On his appointment, he quickly got to grips with the financial situation, assembling a senior team on secondments and short-term contracts, using his networking and influencing skills. The first step was to confirm the trust's financial position and forecast. Mr Shields, who recently became the trust's chief executive, also volunteered to take on performance management, uncovering the true extent of a waiting list problem.

Getting to grips with the financial situation was only part of the turnaround – he also sought to bring world class finance to the trust. A key issue was increasing respect for the finance department and ensuring it had a voice at the top executive table. In the past, firm messages that spending must be reduced or adverse consequences could follow had produced few signs of recovery or performance improvement.

He introduced 'Building world class

finance' – an approach Mr Shields developed during his year as HFMA chair. It has transformed the department's capability – improving transactional processes, upgrading technology and developing decision support tools to help managers and clinical leaders to manage their own performance.

This year is a double win for Imperial as its compliance framework, set up under Mr Shields' leadership, also scooped the HFMA Governance Award.

The judges described Mr Shields' leadership of the trust's turnaround as 'hugely impressive'. They continued: 'It is clear from the citations that Bill's central involvement was crucial to Imperial's success. His focus on service quality



WHAT THE JUDGES SAID

"Bill's leadership of the trust's turnaround is hugely impressive. It is clear from the citations that his central involvement was crucial to Imperial's success"

comes through clearly and overwhelmingly. Bill has shown great drive and focus on delivery during his time at the trust but also throughout his career in the NHS.'

With the trust also taking the Governance Award, Mr Shields agreed it was a great night for Imperial. He insisted both awards were the result of a team effort. 'They are testament to the fantastic work at the trust over the last two years. We have introduced and committed to world-class finance and we have a world-class team to deliver that.'

'We have, and will continue to deliver, world-class outcomes. It's a continuous process that will never be complete. The reason we aspire to be world class is that we recognise we have always got to push, challenge and compare ourselves with the best.'

ALSO SHORTLISTED

JEFF BUGGLE EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST

East Kent Hospitals University NHS Foundation Trust

director of finance and performance management
Jeff Buggle was nominated for his personal drive, for excellence in service provision and innovation



and for providing a solid financial and information platform for service delivery at the trust. He was also praised for his career achievements, which included a spell as finance director of NHS Wales. He led the acquisition of an independent patients' service and an efficiency programme that has delivered to plan more than £76m in savings over the past three years.

KEITH LOVEMAN, HERTFORDSHIRE PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

As well as leading the finance team, ensuring top financial performance and supporting other board members, Keith Loveman, Hertfordshire Partnership University NHS Foundation Trust director of finance, was acknowledged for having influence across the trust and as a champion for patients.

The trust believes he is a prime example of a professional who uses his expertise to support, advise and build relationships with stakeholders.



He has delivered financial targets each year, ensuring services are of the highest quality, and he has helped secure funding for a £50m state of the art unit.

AWARDS 2013 DEPUTY FINANCE DIRECTOR

■ **Winner** Paul Ronald, Hertfordshire Partnership University NHS Foundation Trust
 ■ **Also shortlisted** Janine Taylor, Greater Manchester West Mental Health NHS Foundation Trust; Mike Burns, The Walton Centre NHS Foundation Trust; and Peter Dawson, County Durham and Darlington NHS Foundation Trust

PAUL RONALD HAS been named Deputy Finance Director of the Year after he reorganised an already strongly performing team into one that was better aligned with his trust's needs and that delivered savings and greater quality.

The Hertfordshire Partnership University NHS Foundation Trust deputy is a key part of the trust's senior team and has led a fundamental restructuring of the finance department.

This has prepared the department for the challenges it and the trust will face, as well as addressing some of the major issues faced by the organisation. These include: a three-year service transformation programme; the reorganisation of the trust's strategic business units; the need to further embed service line management; the introduction of mental health payment by results; and the requirement to reduce costs in corporate services and other parts of the trust.

Keith Loveman, the trust executive director of finance and performance, said that under Mr Ronald the finance department is now aligned to support service delivery, has more qualified staff and is retaining high-achievers.

Costing information has also been significantly improved and the finance function delivered a 10.4% cash-releasing efficiency saving (CRES) in 2012/13.

He introduced a robust CRES, drawing from best practice and the approaches recommended by auditors, regulators and the accountancy bodies. Not only has this improved performance against plans and increased transparency, but has also enhanced the levels of engagement from clinicians, managers, governors and board members.

Mr Ronald has also engaged with



Winning deputy
finance director
Paul Ronald

LEADING THE WAY

stakeholders to improve the reporting of financial information, making it more accessible and meaningful, Mr Loveman added. Examples include presentations on the annual accounts to governors before and after submission, and rigorous monthly financial reports to managers that link to final accounts.

His 'patient-centred approach, balancing quality and finance, has been refreshing to see from a "back office" function and has been fundamental in getting colleagues from across the organisation engaged in the financial challenge,' Mr Loveman said.

He commends Mr Ronald's willingness to

adopt innovative ideas – for example, encouraging the decentralisation of budgets that empowered managers and improved financial management. While looking after day-to-day issues, he can think strategically and spot challenges ahead, Mr Loveman said.

The judges said: 'We were impressed by the changes he has made in the financial management of the trust, leading to greater delegation to budget holders with accompanying increased accountability and performance management.'

'He has engaged with clinical staff and restructured the finance and procurement departments, saving 10% in the process. He also finds time to lecture, submit articles for publication and engage in HFMA activities.'

While he was praised for his focus on patients, Mr Ronald remains modest. 'The patient focus comes from everyone at the trust,' he said. 'The thing we did that was most important was taking the finance responsibility out of the finance function to give it a much wider base. We have given them more time and a bit of encouragement, and the response has been fantastic.'

WHAT THE JUDGES SAID

"We were impressed by the changes he has made in the financial management of the trust, leading to greater delegation to budget holders with accompanying increased accountability and performance management"

STARTING SUCCESS

ONE WOULD IMAGINE the competition for the Best New Organisation Award to be fierce, given the plethora of new NHS bodies in England since April 2012 – clinical commissioning groups, commissioning support units and area teams, not to mention new providers.

So it proved to be, with the judges finding it tough to separate the shortlisted entries. In the end they decided to give the award to Bolton Clinical Commissioning Group and highly commend the compact of Fareham and Gosport Clinical Commissioning Group, Portsmouth Clinical Commissioning Group and South Eastern Hampshire Clinical Commissioning Group.

In its assessment of the shadow Bolton CCG, NHS England was impressed by several factors, including governance, clinical leadership and engagement. The CCG was authorised with three conditions, two relating to the deficit at its main provider and the risk this created.

The CCG was required to triangulate its finances and savings plans fully. The third condition was the need for more senior managers. Bolton responded quickly, appointing a deputy chief finance officer, QIPP accountant and assistant chief officer. The third condition was removed in June 2013.

'We focused on going further than other CCGs on finance joint working with our provider and strong QIPP planning and monitoring,' its submission said, adding that the remaining conditions have been removed.

It has engaged with its staff and 50 GP practices in several ways, including meetings and a members' website, which provides support and allows them to share concerns and ideas through forums, blogs and surveys. It also engages directly with the local population. For example, an event gave the public a chance to spend an imaginary pot of NHS money, making investments and divestments in services. Feedback from the event influenced its commissioning priorities for 2013/14.

It has introduced a business intelligence tool,

WHAT THE JUDGES SAID

"In a very close contest, the winner showed that with committed leadership improvement for patients can be delivered"

Bolton CCG chief finance officer Annette Walker (left) and deputy CFO Jackie Murray receive the award from Tony Whitfield



- **Winner** Bolton Clinical Commissioning Group
- **Highly commended** Compact of Fareham and Gosport Clinical Commissioning Group, Portsmouth Clinical Commissioning Group and South Eastern Hampshire Clinical Commissioning Group
- **Also shortlisted** Dorset Clinical Commissioning Group and North Yorkshire and Humber Commissioning Support Unit

HIGHLY COMMENDED

The judges said Fareham and Gosport Clinical Commissioning Group, Portsmouth Clinical Commissioning Group and South Eastern Hampshire Clinical Commissioning Group had 'taken an innovative approach to making the reforms work effectively'.

The three CCGs took a unified approach to commissioning that allows each to maintain their identity while maximising their commissioning and purchasing power. CCGs host a support service seen as vital to commissioners – including commissioning (South Eastern Hampshire); finance, performance and planning and medicines management (Portsmouth). Members of the compact said this, and their unified approach to commissioning and QIPP plans, have produced financial benefits.

known as QBIT, in response to a surge in demand for primary care. QBIT helps Bolton GP practices understand patient behaviour and identify patients whose condition could be better managed.

'From being considered an economy in high financial risk, we are now ahead of plan on delivery of our QIPP target of £8m, with the resulting £3m being prioritised for investment to pump prime the future integrated system of healthcare in Bolton,' the CCG added.

The judging panel said: 'In a very close contest, the winner of the Best New Organisation for 2013 showed that with committed leadership, an energy and passion for tackling the problems, taking a whole health economy approach that built trust and confidence, improvement for patients can be delivered.

'Not afraid to use ideas from elsewhere as well as their own innovations they were able to demonstrate real improvements in patient care.'

After receiving the award, the CCG's chief finance officer, Annette Walker, said: 'We are honoured and really proud to win – though there is a slight disappointment as our chair and chief officer couldn't make it here.'

She added that value for money and better outcomes for patients were the driving forces behind the CCG. 'You can have financially sustainable organisations that may not be delivering good services for patients. But we want to deliver the right outcomes for the money we spend.'



Sponsored by KPMG in association with the Department of Health

- **Winner** Hertfordshire Partnership University NHS Foundation Trust
- **Also shortlisted** Dudley and Walsall Mental Health Partnership NHS Trust; South Warwickshire NHS Foundation Trust; Wrightington, Wigan and Leigh NHS FT

KPMG's Neil Thomas (far right), Department of Health representative Janet Perry (centre), Paul Ronald (second left) and members of the winning team

SPIRIT OF TEAMWORK

IN 2012/13, THE systems for preparing accounts at Hertfordshire Partnership University NHS Foundation Trust were fundamentally changed – changes that have won the trust the Accounts Team Award.

The trust's management accounts and financial services teams had operated as discrete functions. The trust used outdated budgets and significant central reserves were controlled by the senior finance team, which used the funds to cover financial pressures and contingencies. As a result, monthly budget reviews showed only part of the picture.

Also, many financial accounting matters were not addressed until month 12. These included public dividend capital, depreciation and capital/revenue transfers, which meant the monthly accounts bore little resemblance to the annual accounts. Budget managers and the management accounts team had no connection to the annual accounts.

To turn this around, the trust implemented a number of changes to get the finance team to see the annual accounts as an extension of the monthly reports. For example, monthly accounts now consider 'year-end' matters such as impairments, while other potential issues, including accruals, are reviewed regularly to ensure there are no surprises at year end.

The changes also focused on engaging managers to encourage them to review the monthly reports and, once engaged, to identify with finance colleagues any issues, potential

solutions and the implications of these.

The changes included:

- Early discussion with commissioners on issues affecting both parties to ensure a common position and allow them to determine their accounts reporting requirements
- The finance team integrated management and financial services, undertook regular balance sheet reviews, and received internal training on new skills, such as forecasting and Monitor statutory reporting
- Enhanced monthly reporting to the board, and regular reports to the audit committee, were introduced from quarter three.

The process of change kicked off with a major restructuring of the finance team, including a 17% reduction in headcount (eight posts) and changes in many roles.

The draft accounts were submitted four days before deadline. The judges said the trust had demonstrated 'a solid process' for completing the accounts on time and to a high standard, and shown extensive engagement with key stakeholders. 'It has also commenced a process of reform and redesign within the finance team,' they said. 'We were impressed with the improvements made in the year, the focus on steps needed to improve processes, and the clear vision for moving forward.'

The judges were impressed with the quality of the submissions by all four of the shortlisted organisations. To differing degrees, all showed evidence of working on the timeliness and quality of accounts, as well as engaging with key stakeholders and developing the finance team. They said: 'The winner of the HFMA Accounts Team of the Year award was the organisation that demonstrated the most extensive achievements and working to the highest standards across all of the areas.'

After accepting the award with members of his team, deputy finance director Paul Ronald said the work was hard, but rewarding. 'We realised we are in a different climate and things have to be done differently. The team was happy to embrace that.'

'We spent a lot of time moving the accounting away from the accounts department so operational teams would take more ownership of the financial issues. We were there to help them.'

WHAT THE JUDGES SAID

"We were impressed with the improvements made in the year, the focus on steps needed to improve processes, and the clear vision for moving forward"

PLICS APPEAL

Sponsored by Healthcost

- **Winner** Nottingham University Hospitals NHS Trust
- **Highly commended** Liverpool Heart and Chest Hospital NHS Foundation Trust
- **Also shortlisted** Birmingham Children's Hospital NHS Foundation Trust; Greater Manchester West Mental Health NHS Foundation Trust

THE USE OF its patient-level information and costing system (PLICS) to engage clinicians and identify and deliver costing improvements helped Nottingham University Hospitals scoop the 2013 HFMA Costing Award.

Having spent two years piloting and rolling out PLICS, attention in the third phase is devoted to establishing the system as the primary vehicle for cost improvement.

Clinical engagement is vital, so the trust knew the data presented through PLICS must be accurate and timely. It used the materiality and quality score (MAQS) from the HFMA clinical costing standards to improve its data.

In the first quarter of 2012/13, its theatre cost pool scored MAQS bronze. The trust says theatres were not giving surgeons the right information to help them understand their business, partly due to the way the £22m theatre pay bill was apportioned. Pay was charged on the basis of operating room minutes used at patient level. Unused minutes were not charged. But this penalised high theatre users, even if they ran efficient lists.

In September 2012, the allocation was changed to planned rather than used minutes,



Members of the Nottingham team, including (from right) Duncan Orme, PLICS board head Anwar Zaman and Scott Hodgson, receive the award from Healthcost's Gavin Mowling (far left) and Tony Whitfield

incentivising efficient use of theatres as any unused minutes are charged as an overhead to the patients in the session. Directorates receive reports of costs by clinician, specialty or session, and each of the 50 theatres is a cost centre, allowing the trust to compare its theatres internally.

Theatre pay cost allocation has been further refined by adding weightings for day of the week, time of day, use of local or general anaesthetic (which has an impact on staff numbers and skill mix), and whether the operation is an emergency or not.

As a result of this work, the theatre MAQ score has been raised to silver. In the coming year, the trust aims to increase it to gold.

Each month, managers receive high-level costing information via service-line reports. And, having achieved a target of moving from quarterly to monthly PLICS reporting, these are supplemented with detailed PLICS statements. The trust has invested in additional licences and server capacity and spent time, with consultants, ensuring the reports are user friendly.

At the start of the third phase of its implementation, the trust provided costing staff to directorates with specific PLICS projects, aiming to change clinical practices or deliver efficiencies. Each costing accountant has 'customers' and spends dedicated time with them each week.

Scott Hodgson, the trust head of costing, said the drive to improve quality by gaining a higher MAQ score gave focus to the work. 'It is important to plan where you want to go. We

WHAT THE JUDGES SAID

"Clearly, costing and the provision of high-quality information is a common goal of the trust led by committed and passionate clinicians"

aspire to get to gold status by quarter four this year and we are committed to doing that.'

Anwar Zaman, a consultant at the trust and head of its PLICS board, added: 'It's been four years of hard work, but managers understand the scheme and it has the full support of the corporate board. We are just getting to the stage where we are beginning to see the dividends.'

The judges were impressed by the overall standard of entries. It said it was 'pleasing and rewarding' to see the commitment and passion that is driving the continued improvement in costing across the NHS. It was also good to acknowledge developments and achievements in non-acute organisations.'

Of the winners they said: 'Clearly, costing and the provision of high-quality information is a common goal of the trust led by committed and passionate clinicians. Costing and understanding costs are embedded within the organisation with a clear vision and strategy.'

HIGHLY COMMENDED

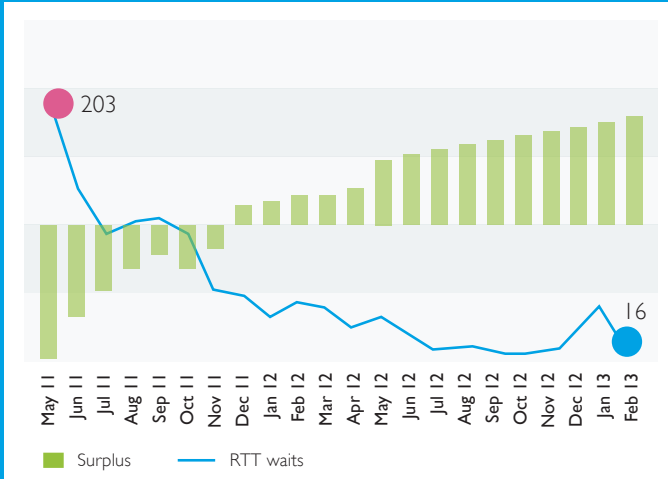
Liverpool Heart and Chest Hospital was commended for several improvements in its costing in 2012/13:

- Factoring in acuity for critical care
- Developing a tool to identify evidence-based cost improvement targets
- Costing work in progress.

The judges paid tribute to service-line reporting manager Gan Raman in leading improvements. They said: 'This is an organisation with a continued and fantastic commitment to costing and provision of high-level information to clinicians informing business decisions – supported by a passionate and extremely motivated practitioner.'

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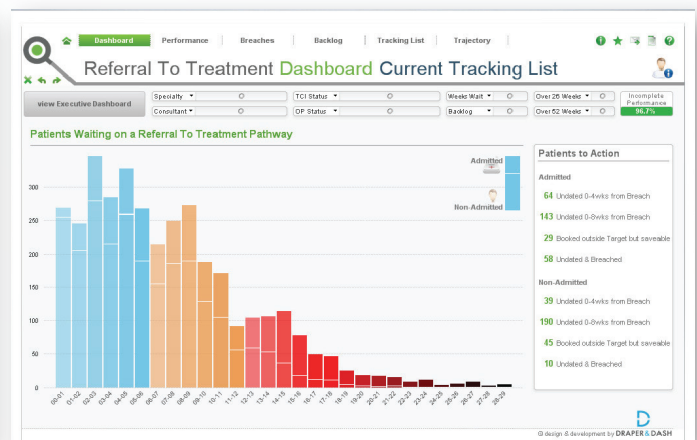
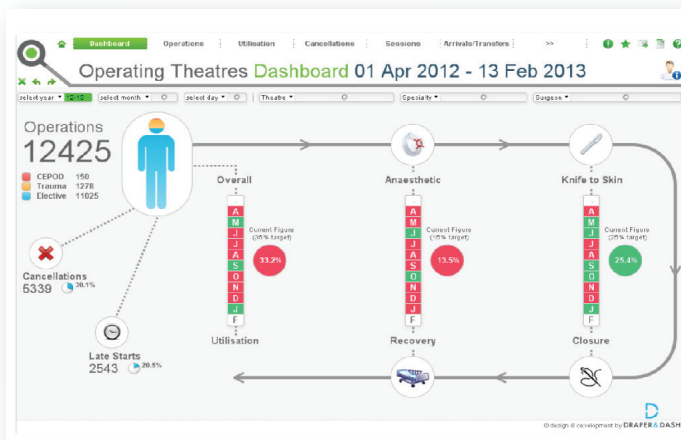
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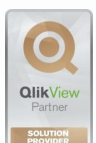


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BEST SUPPORTING ROLES



role as a regional finance director, she helped shape the HFMA presidents' themes for 2012 and 2013, encouraging other regional finance directors to support the initiatives. As she has now left finance to be chief executive of Liverpool Heart and Chest Hospital NHS Foundation Trust, the board felt the time was right to recognise her enormous contribution.

5 The HFMA board's next fellowship nomination was for **Janet Perry**, a staunch supporter of the

AS WELL AS the nine industry awards, the HFMA also made a number of personal awards this year. These are awarded to individuals who have made a substantial and sustained contribution to the life and work of the association. They recognise individuals who have served the HFMA over a career or have provided continued support to its work for a substantial period of time.

1 **Chris Calkin** was given an Outstanding Contribution Award following years of service to the HFMA. After a successful career in NHS finance, including a year as HFMA chairman, he threw himself into the work of the association. He chairs the Policy Forum and is a popular webinar chair. A frequent speaker and contributor to *Healthcare Finance*, as chair of the Communications Group he has been invaluable to the HFMA's developing public relations policy. As well as the award, he wins a £1,500 travel scholarship to organise a study trip.

The association also awarded a number of honorary fellowships:

2 **Steve Elliot** was nominated for an honorary fellowship by the Welsh Branch. As well as being an active member for many years, he has held executive and committee positions in the branch, including those of treasurer and chair.

Chairing the branch for three years, he was also a trustee of the national HFMA. He remains on the branch executive and was elected its communications officer in September last year. During his time with Wales HFMA, the branch has gone from strength to strength, and his contribution has been key to its success.

3 The HFMA Foundation Trust Technical Issues Group (TIG) nominated the second fellow, **John Flint**, who is to retire in March 2014 after a long and distinguished career in the NHS. He has played an active role in the group for the past six years, influencing its agenda and regularly produces information to support its discussions. He has represented the HFMA in national technical bodies, particularly the Department of Health's technical advisory group. The HFMA TIG believes it is thanks to the credibility of his contribution that the association will continue to have a voice at the highest level.

4 The HFMA board nominated the third fellow, **Jane Tomkinson**. A career-long supporter of the association, she has been committed to staff development, providing opportunities, encouragement and mentoring. She has supported HFMA initiatives at local and national level, working closely with branches and national groups. Recently, in her

HFMA. As NHS chief financial controller at the Department of Health, she helped coordinate a number of successful projects, such as 'Take control' and 'Making a difference'. As well as helping develop publications such as the *Audit committee handbook*, she is a valuable link for the Financial Management and Research Committee. A key member of judging panels for the deputy director and accounts team awards, she recently moved to Barts Health NHS Trust, prompting the association to thank her for all the work she has done for the HFMA and the NHS finance profession.

Two other new fellows were unable to attend the awards ceremony:

■ **Barbara Byrne** has been HFMA treasurer for the past two years and a trustee for six. She is stepping down and the board have awarded her a fellowship in recognition of her significant contribution.

■ Finally, the Northern Ireland Branch nominated **Martin Dillon** for an honorary fellowship. He has been a stalwart of the branch for many years. Mr Dillon served as a trustee and continues to take an active part in the branch, helping young and up and coming staff and providing wise words to the branch chair.

IMPERIAL MEASURES

IMPERIAL COLLEGE HEALTHCARE NHS Trust is one of the largest providers in the country, yet in 2011/12 faced a forecast deficit of £53m. A new approach to financial governance was required and, with the appointment of a new senior team, it launched its *Building world class finance* programme. To improve accountability as part of this, the trust set up a financial compliance framework.

The framework moved away from the trust's approach of using delivery of budget and cost improvement programmes as the only indicators of financial performance. The trust's new leadership believed this approach to be flawed as it does not link the complex elements of NHS finances and does not truly reflect the performance of any department.

The framework uses a range of indicators, including non-financial indicators, to measure financial performance. As well as acknowledging that financial performance cannot be seen in isolation from quality, it increases transparency and gives a better understanding of the interaction between use of resources and the quality of clinical services.

A financial risk rating (FRR) is central to the framework and the trust board has agreed the financial performance of each clinical division will be based on the FRR, with targets set by the executive team. Each division now uses key performance indicators (KPIs) to support the delivery of an acceptable FRR – clinical divisions set their own KPI targets.

The five strands of the FRR (financial sustainability, cost control, forecasting, financial governance, and working capital and assets) are backed by 23 KPIs. These give divisions a holistic view of their financial performance, enabling them to make the correct decisions, the trust said.

Each KPI and FRR strand is traffic light rated

WHAT THE JUDGES SAID

“The framework has been a major contributing factor in bringing financial stability to the trust through fully engaging clinicians in targeting an agreed list of key performance indicators”

- **Winner** Imperial College Healthcare NHS Trust
- **Highly commended** 360 Assurance
- **Also shortlisted** Health Education England and Cambridge Internal Audit Services; and Portsmouth Clinical Commissioning Group and Portsmouth City Council

for quick understanding of financial performance. The strands also link to each other, supporting decision-making. So, if a division sees an increase in costs above the acceptable level, the relationship between income and costs can be assessed to see whether the higher costs can be offset with increased income. The forecasting strand will show if this is expected. If not, there is an expectation that it is reviewed as a priority, increasing ownership at division level.

Chief financial officer Marcus Thorman said: ‘We use KPIs from the point of view of understanding a wider risk rating; to pick up not just the things Monitor picks up, but what’s important to clinicians. We are very pleased to be given the award. It is great for the organisation and the finance team and a recognition of the hard work done over the

HIGHLY COMMENDED

The judges highly commended the entry by 360 Assurance, hosted by Leicestershire Partnership NHS Trust, which develops and promotes good governance. It responded to the changes in commissioning in England by setting up a dedicated clinical commissioning group team to help the organisations with governance issues. The judges said: ‘Responding to the new commissioning structure, a dedicated team was set up that developed a comprehensive good governance programme across 18 CCGs in the East Midlands and South Yorkshire. The success of the programme has led to plans to widen it out on a national basis.’

last two years on the financial performance of Imperial.’

The judges said: ‘The framework has been a major contributing factor in bringing financial stability to the trust through fully engaging clinicians in targeting an agreed list of key performance indicators.’



Chief executive Bill Shields shows his delight for Imperial's second commendation of the night, with Marcus Thorman pictured second from right

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CQUIN INNOVATION

PORTSMOUTH CLINICAL COMMISSIONING Group and its member practices have come together to tackle the triple pressures of increasing demand, an ageing population and the need to maintain safety and improve quality. The process has strengthened commissioning, produced significant savings and now garnered the 2013 HFMA Efficiency Award.

The initiative was based on providing information to practices to support them in meeting the QIPP quality challenge. This included information to help them understand clinical variation, making use of optimum resources, securing the best outcomes for patients, doing things differently, and spreading learning and innovation throughout the city's practices.

Practices had been impressed by the model developed for prescribing support and wished to use this as a basis for the approach in commissioning. They established a CCG-wide model to support them in reviewing referral patterns and changing behaviours and use of secondary care.

A range of measures were agreed at a number of levels – at practice, CCG and across neighbouring CCGs – to direct the commissioning group's use of resources. Steps included an innovative use of CQUIN (commissioning for quality and innovation) in primary care. CQUIN is traditionally reserved for acute and community contracting.

This supported practices focused on local priorities, such as COPD (chronic obstructive pulmonary disease) and heart failure – for example, by identifying patients for cost-effective interventions such as pulmonary rehabilitation or smoking cessation.

Some of the other changes include a review of paediatric admissions to support greater management in primary care or community services.

A web-based tool was developed to give practices good-quality information in several areas, including activity and finance. This shows practices where they are in relation to others via dashboards. Some use 'buddies' to review referrals via the information tool.

The CCG finance team provided a range of support, such as financial analysis,



Jim Hogan (holding award), Tracy Sanders (second from right) and Philips Healthcare's Graham Tranter (second from left), with members of the Portsmouth team

Sponsored by Philips Healthcare

- **Winner** Portsmouth Clinical Commissioning Group
- **Also shortlisted** Chesterfield Royal Hospital NHS Foundation Trust; Imperial College Healthcare NHS Trust; and Mersey Care NHS Trust

WHAT THE JUDGES SAID
“This entry demonstrated a very joined up approach to quality improvement. This really feels like commissioning rather than contracting”

benchmarking, QIPP modelling and business case scrutiny, monitoring and review.

A member of the judging panel said the CCG had shown a systematic, whole system approach to QIPP. ‘This entry demonstrated a very joined up approach to quality improvement leading to genuine savings. This really feels like commissioning rather than contracting. They have produced seriously impressive numbers. My chief operating officer will be phoning up tomorrow to arrange for a visit.’

Portsmouth CCG chief strategic officer Tracy Sanders said recognition, for the GP practices in particular, was pleasing. ‘This is about all the work they have done to make changes and come together to improve patient care. The practices bought into and drove the process.’

The CCG invests £265,000 a year in primary care CQUIN. As well as better understanding of commissioning by practices and improved urgent access to primary care, local providers have seen a 5% reduction in emergency admissions, the achievement of referral to treatment targets (including a 2.4% reduction in outpatient attendance), and QIPP savings of £7m. It is one of the best performers on medicines management, measured using QIPP indicators and, previously, *Better care*, *better value* indicators. The QIPP savings include £3m in medicines management, £1.7m in urgent care, £1.3m in integrated commissioning, and £1m in planned care.

The actions had an impact across the health economy. First hospital outpatient appointments following GP referral were 4% lower than planned and 2.4% lower than a year before, while emergency admissions were 2.5% below plan (5% lower than the previous year).

This was achieved after spending a relatively small amount of money. Ms Sanders said: ‘It shows that by spending a little bit you can get big gains.’

Jim Hogan, the chief clinical officer, added: ‘It’s fantastic to get recognition of any sort, but it’s very important in this year when we are establishing ourselves. This award recognises the work we have done and will provide a stimulus for us to do more going forward.’



Nottingham University Hospitals director of finance Rupert Egginton (left) receiving the award from CIMA's David Rowsby

Sponsored by CIMA

- **Winner** Nottingham University Hospitals NHS Trust
- **Also shortlisted** Imperial College Healthcare NHS Trust; South Warwickshire NHS Trust; Wrightington, Wigan and Leigh NHS Foundation Trust

BUSINESS OUTLOOK

SERVICE-LINE MANAGEMENT is one way of engaging clinicians with finance – providing them with up-to-date information about their services, so they can make decisions. But clinicians have little experience of financial leadership and hitting financial targets. If they and their trust are to make the most of service-line information, clinicians must receive training, such as that offered by Nottingham University Hospitals NHS Trust, the 2013 Havelock Training Award winner.

The award recognises a significant contribution to finance skills development, best practice in the training of finance staff or the raising of financial awareness among the non-finance workforce. The award was established in 1999 and named after former Department of Health deputy finance director Jon Havelock, who died suddenly in 1998.

The Nottingham training course seeks to provide clinical leaders with commercial skills tailored to service-line management in the NHS. The trust describes it as a 'hands-on' dynamic financial leadership programme, which introduces clinical leaders to proven and sustainable business-like behaviours (as used in FTSE 250 and Fortune 500 companies).

Over five face-to-face delivery days, ongoing telephone coaching and using a benchmarked 360° profile, the focus is on leaders becoming aware of their behaviours and business acumen.

The service-line leadership programme was piloted among 30 clinicians and managers, with the aim of promoting more business-like behaviour. Once completed, the trust decided

to extend the programme and it proved popular, with a waiting list soon developing. Demand grew to the extent where the finance team set up extra sessions specifically for particular clinical areas, such as acute medicine and anaesthetists. Around 250 staff have taken the course, including senior medical staff, nurses, therapists and pharmacists.

Duncan Orme, the trust's deputy finance director, said there were initial questions over whether to make the initiative mandatory, but winning clinicians over was seen as key.

'We are saying to them, "If you give up three days of your time, we will ensure your training will be good and you will understand things that will help you in service-line leadership".'

The training gives clinicians the skills to identify areas that need attention. 'You have to work on the balance between finance and quality – the balanced scorecard we work with has hundreds of measures, but if you are to take

things forward in an effective way you have to focus on one, two, no more than three things.'

After introducing the concept of patients and commissioners as 'customers', participants are presented with a 'money-making model' based on the book *What the CEO wants you to know*.

The model has five building blocks – cash generation, margin, velocity, growth and customers – and participants must interpret these in their own directorates and specialties to see where they can have the greatest impact.

They are encouraged to teach their teams using course videos and worksheets and explore which building block they can influence most. This then becomes an agreed goal for the team.

The course also includes a session where the deputy finance director examines the trust finances and shows how it has become more financially aware using service-line reporting.

The trust has passed on the learning from the scheme, contributing to an HFMA East Midlands Branch event on service-line reporting, where its clinicians presented four case studies on quality improvements and financial turnaround in their services.

Opting for the Nottingham entry, the judges said: 'We were impressed by the innovative nature of the programme and in particular its links with the drive to improve clinical quality and understand the business.'

'The programme was rated very highly by the 250 participants and the trust held a successful learning day with the East Midlands Branch of the HFMA.'

WHAT THE JUDGES SAID

"We were impressed by the innovative nature of the programme and in particular its links with the drive to improve clinical quality and understand the business"



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AVID ADVOCATE

In association with the Academy of Medical Royal Colleges

- **Winner** Dr David Fearnley, Mersey Care NHS Trust
- **Highly commended** Marcia Pathak, North East Lincolnshire Clinical Commissioning Group
- **Also shortlisted** Adrian Bloor, The Christie NHS Foundation Trust; Tabinda Rashid-Fadel, University Hospitals Bristol NHS Foundation Trust

IT IS OFTEN said that engagement between clinicians and NHS finance professionals is more important than ever before. In 2012/13 it was particularly true among mental health providers, which were grappling with the efficiency targets faced by all trusts and the introductory year for a new payment mechanism based on care clusters. It is against this background that the HFMA Working with Finance – Clinician of the Year emerged.

The award acknowledges the importance of clinical engagement in financial management and in particular recognises a clinician who has taken financial responsibility for their services, led efficiency or improvement programmes or provided an example to other clinicians to follow by engaging with the financial management agenda. All of these can be said of David Fearnley, Mersey Care NHS Trust medical director.

Dr Fearnley, who is also a consultant forensic psychiatrist at Ashworth high-security psychiatric hospital, took a leading role in delivering the introduction of the payment mechanism (which is being phased in) and the trust's cost improvement programme (CIP).

He organised multidisciplinary workshops for colleagues on the cluster-based payment

system. These specified and facilitated the production of the required care packages associated with each cluster. He is also promoting uses of care clusters for assessing consultant performance through job planning. By April 2013, almost 93% of relevant service users were assigned to a cluster and 69% were reassessed within the review intervals.

Dr Fearnley's work helped identify more than £50m in CIPs over the period 2013/14 to 2018/19, savings that can be delivered without compromising quality. He engaged with clinical business unit managers, individually and as a group, to drive forward the efficiency agenda. From 2013, he became an executive director at the trust, responsible for managing the £75m budget for local services.

He also led a successful bid for €5.4m of European Union funding to support a dementia project.

The judging panel felt he had demonstrated an ownership and engagement with the financial agenda well beyond that required of him. They said: 'Leading the efficiency charge within his organisation, he has ensured a multidisciplinary structured approach that has secured commitment from clinical and financial colleagues alike, ensuring that efficiencies are made that do not compromise quality and safety. All this while ensuring his organisation was "mission ready" to move to the new payment by results environment. His

HIGHLY COMMENDED

The judges were impressed with all the candidates in this category and highly commended North East Lincolnshire Clinical Commissioning Group's Marcia Pathak. Working in a small practice in a deprived area in Grimsby, she had engaged with colleagues across primary and secondary care to gain support to improve the pathway for children presenting in A&E, many of whom were then admitted to hospital. The paediatric team was moved from the ward to A&E and supports two beds and cots, releasing significant savings and improving patient experience.

The judges said: 'Marcia has no formal management role and yet has achieved a fantastic result through partnership working. For this reason she was highly commended by the panel.'

finance colleagues are understandably delighted to be working with him. A well-deserved winner.'

Dr Fearnley said he became closely involved in finance because he held a strong belief in the need for clinicians to work closely with their finance counterparts. 'I am delighted,' he said of the award win. 'I work with a great finance team, I am pleased to work with them and I am proud they enjoy working with my colleagues and myself. I think clinicians need to take an interest in finance and, with the help of finance colleagues, help shape better services. We have a strong relationship and partnership.'

WHAT THE JUDGES SAID

"Leading the efficiency charge in his organisation, he has ensured a multidisciplinary structured approach that has secured commitment from clinical and financial colleagues"



HFMA president Tony Whitfield hands the award to Dr David Fearnley



Accounts Team of the Year

- 2012 Alder Hey Children's NHS FT
- 2011 5 Boroughs Partnership NHS FT
- 2010 NHS Bournemouth and Poole (photo 1)
- 2009 Mersey Care NHS Trust
- 2008 Hull and East Yorkshire Hospitals NHS Trust
- 2007 North West Ambulance Service NHS Trust

Clinician of the Year/Clinical Engagement *

- 2012 Malik Ramadhan, Barts Health NHS Trust
- 2011 Jason Leitch, Scottish Government (photo 2)
- 2010 Philip Thomas, Brighton & Sussex University Hospitals Trust
- 2009 Ellen Wilkinson, Cornwall Partnership NHS Trust
- 2008 South Manchester PBC and NHS Manchester*
- 2007 The Christie Hospital NHS FT*

Costing

- 2012 The Christie NHS FT (photo 3)
- 2011 Cardiff and Vale UHB

Deputy Finance Director of the Year

- 2012 Richard Wheeler, Oxford University Hospitals NHS Trust
- 2011 Joanne Fitzpatrick, The Christie NHS FT (photo 4)
- 2010 Elaine Konieczny, Sherwood Forest Hospitals NHS Trust

Finance Director of the Year

- 2012 Caroline Clarke, Royal Free London NHS FT (photo 5)
- 2011 David Melbourne, Birmingham Children's Hospital NHS FT
- 2010 Steve Webster, North Bristol NHS Trust

- 2009 Paul Hinnigan, NHS Blackburn with Darwen Primary Care Trust (photo 6)
- 2008 Sue Jacques, County Durham and Darlington NHS FT
- 2007 Jane Tomkinson, Countess of Chester NHS FT

Efficiency

- 2012 Countess of Chester Hospital NHS FT/ Wirral University Teaching Hospital NHS FT
- 2011 NHS Oldham (photo 7)
- 2010 Basildon & Thurrock University Hospitals NHS FT
- 2009 Newham University Hospital NHS Trust
- 2008 2gether NHS FT

Governance

- 2012 Leicestershire Partnership NHS Trust/ EMAS (internal audit)
- 2011 University Hospital of South Manchester NHS FT (photo 8)
- 2010 Plymouth Hospitals NHS Trust and Audit South West
- 2009 The Ipswich Hospital NHS Trust
- 2008 Plymouth Hospitals NHS Trust (photo 9)
- 2007 Redbridge PCT
- 2006 Oldham PCT

Havelock Training

- 2012 Birmingham and Solihull Mental Health NHS FT
- 2011 East Kent Hospitals University NHS FT (photo 10)
- 2010 NHS Central Lancashire
- 2009 Heart of England NHS FT
- 2008 NHS London
- 2007 Sherwood Forest Hospitals NHS FT



Please note: for reasons of space this is not a complete list of past winners. For further details see www.hfma.org.uk/awards

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