



Strategic finance leadership skills required to transition to an ICS

MBA in healthcare finance

The first intake of learners have now completed their MBAs in healthcare finance. As part of their final assessments learners are required to complete a consultancy project on an aspect of healthcare finance. These projects have provided valuable research on a range of topics, which may be of interest to others.

BPP University developed the MBA in healthcare finance in response to the scale of the financial and operational changes in the NHS. Financial acumen alone is no longer enough. There is now an increasing need for professionals who understand the need for quality of service and people management in addition to financial information. Graduates of the HFMA advanced higher diploma in healthcare business and finance are eligible for entry onto the programme. Further information on the range of HFMA qualifications in healthcare business and finance can be found on the [HFMA website](#).

The healthcare consultancy project is one of three modules completed in the final year. The HFMA provided non-academic support to learners, supplementing that provided by BPP. Some learners received a bursary from Future-Focused Finance.

Projects covered a range of topics such as: the role of the finance in integrated care; the impact of culture on the delivery of financial savings; organisational mergers; and high utilisation patients. Six projects were successfully completed in January 2020. Over the next few weeks we will publish a summary of a sample of these projects, alongside a link to the full healthcare consultancy project.

This summary, along with the full project, sets out research that may be useful to other NHS finance professionals. It does not represent the views of the HFMA.

The second project in our series was written by Tracy Mayes, Deputy CFO – Finance, Contracts and Procurement at East Riding of Yorkshire Clinical Commissioning Group. It focuses on the skills required to transition to an integrated care system (ICS) for finance roles.



Strategic leadership skills required within Humber, Coast and Vale Partnership to transition to an ICS for finance roles

Aim

The project aims to understand the current strategic finance leadership skills required to deliver an ICS, specifically focusing on the financial roles within the Humber, Coast and Vale Partnership (HCVP). The research objectives were as follows:

- to identify the perceived existing strategic leadership finance skills within the HCVP
- to identify the perceived leadership finance skills and roles required to deliver the transition to an ICS in line with the *NHS long-term plan* (NHSLTP)
- to review the strategic leadership theories available to identify the skills required to deliver transformation
- to work with HCVP system leaders to identify the perceived skills gap within the current finance roles and to make recommendations for transition to an ICS.

Background

As outlined within the NHSLTP healthcare systems, currently known as sustainability and transformation partnerships (STPs), are expected to transition to become ICSs by April 2021. Underpinning this change is a coordination of system level control totals which move away from organisational financial management of NHS funds.

Initial research was undertaken via secondary research in the form of a literature review focused on outlining key evidence-based theories to support the aims of the study proposal. The research was then progressed by primary research via a questionnaire to HCVP key leaders, broken down into three key themes: strategic effectiveness; leadership; and system position. Additionally, a primary action research observation took place via an ICS Accelerator Program finance workshop to establish a finance leader assessment of both current perceived status and future system opportunities. This provided further qualitative information to support the research aims. Subsequently, the secondary research was completed to establish further quantitative data via both an NHS England ICS maturity matrix and strategy management maturity matrix to establish further research evidence for the research aim and four study objectives.

Key findings

The research found strengths amongst current finance leadership roles in both strategic effectiveness and leadership. However, the study evidenced a gap between current finance skills and competencies and those perceived as essential for delivering a successful ICS. The study identified an overarching focus of the current finance resource on the technical financial management within HCVP, such as financial reporting and asset management. This limited the prioritisation of strategic finance and the long-term strategy.

Additionally, the results demonstrated a disconnect between finance and non-finance roles which was further documented by weaknesses in embedding the cultural change needed for finance in the wider HCVP system.

Although, all elements of finance responsibility were evidenced within the research as priorities, there was little acknowledgement that the current prioritisation of technical finance activities would support the transition to an ICS.

Recommendations

The research identified a number of recommendations for HCVP finance leaders and associated roles:

- HCVP should separate out responsibility for technical finance and strategic finance roles to enable appropriate prioritisation. This would require the development of financial strategy roles at a senior level across HCVP necessary to deliver successful transformation to an ICS by April 2021.
- HCVP should embed strategic financial leadership within the wider health system to support cultural change across HCVP. By embedding financial roles within the wider system functions it is anticipated cultural change, identified as a system weakness could be achieved. Therefore, financial roles outlined within the first recommendation would be required to be integrated roles within the operational/commissioning areas of the ICS.
- In order to achieve the above, HCVP should address the current skills gap through both recruitment and additional training for financial strategy roles. This process will require timely assessment of the current finance roles and associated resource across HCVP, including identification of individual skills and competencies to deliver a revised finance structure and approach for HCVP, in line with the 'nature or nurture' principles documented within the study.
- HCVP should develop strategic finance roles which enable the delivery of the financial strategy across the wider ICS system, not additional financial planning resource. In order to achieve this balance of focus, proposed further research should be undertaken to establish a true understanding of strategy focused finance roles within the wider NHS.

[Read the full research project here.](#)

About the HFMA

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

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

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

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