

NHS FINANCE

DESIGNING OUR FUTURE

Better Decisions. Better Health.

December 2019



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A vision for the future

The future for the NHS is exciting. Technological developments mean that diagnosis and treatment can happen at an earlier stage; more conditions can be addressed; and people can lead longer and healthier lives. For those with long term conditions, the ability to manage them is improving dramatically, enabling people to lead the life that they want, rather than the life that their condition dictates. The NHS plays an important role in the quality of life of millions of people.

These improvements to the health and wellbeing of the population do not happen in isolation, rather they are the combined effort of many professions. Of course the work of the clinical teams is the most obvious but there is an army of support teams working, for example, in research, pathology, logistics, human resources and finance.

Those who choose to work in NHS finance often do so because they have made a choice to use their skills and qualifications to make a difference to people's lives. The regime of financial transacting, contract monitoring, annual accounts and audit may seem a million miles away from the care giving mission of the NHS. But when that regime is translated into using resources well, enabling care to be given and life changing treatment to be undertaken, then it is clear that the work of the finance team is essential to the success of the NHS. To put it simply; NHS finance staff have a part to play in supporting better decisions to lead to better health.

If we accept this as true; then, for NHS finance, nothing but the best is good enough and there is work to be done.

This document sets out a suggested long-term vision for the finance profession in the NHS. It will be supported by a range of engagement opportunities and the views of all NHS finance staff will be welcomed.

Those who work in the function demonstrate integrity and dedication and enable the system to evolve and transform to provide the care and support that the population needs. NHS finance staff work within a complex web of professions, both within the NHS and the wider public sector, who support those most in need at critical stages of their lives.

However, the profession cannot be complacent. We need to ensure that NHS finance becomes the employer of choice for those entering the profession, with a particular focus on diversity and inclusion within finance departments.

A culture of continuous improvement is an essential quality of a successful organisation.

Our vision is that working in NHS finance is something that people aspire to. It will be consistently rated as one of the best and most diverse employers in the country; developing its own staff and attracting the best from elsewhere.

The profession will be recognised as a key ingredient to delivering world class healthcare, innovating to drive value and enabling the best outcomes for patients.

This paper highlights some of the issues that the finance function will need to think about if we are to achieve our potential and support better decisions to lead to better health:

- how finance staff support the delivery of the *NHS long term plan*¹ and ensure maximum value is obtained for the health pound
- how the NHS finance function needs to change to supporting system working
- how the opportunities presented by developments in technology will be embraced
- how we identify the skills required by those working in finance and the overall size of the finance function
- how we move from where we are now to where we need to be.

Share your views

What do you think about our vision for the future of NHS finance?

If achieved, will the vision attract people to work in NHS finance?

What measures should we use to identify whether our vision has been achieved?

Would you like to attend an event to help shape the future of NHS finance?

Background

This report came about as a result of a challenge from the NHS Financial Leadership Council. The Council was keen for the NHS finance function to develop a vision for the future and for it to be informed by the views of those currently working in NHS finance.

The subsequent publication of the *Interim NHS people plan*² highlighted that national attention is focused on the recruitment and retention issues for the clinical workforce. It is therefore timely that we, as a profession, set out our own people plan to build the NHS finance workforce of the future. We must ensure that we are not only fit for purpose but able to deliver a flexible, high-quality service that supports the NHS, and the wider health and care system, of the future.

This is a joint report produced by Future-Focused Finance, the HFMA and PwC. Details of the individuals involved and the research undertaken are set out in **appendix 1**.

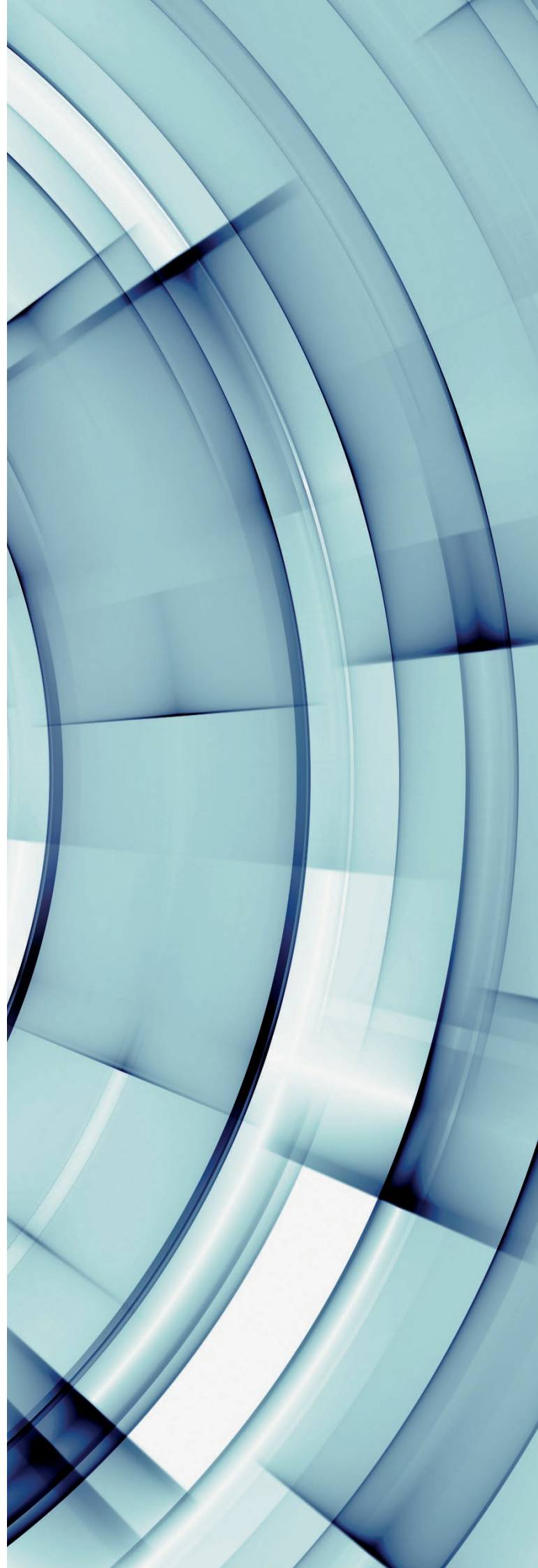
PwC was commissioned by Future-Focused Finance (FFF) to carry out research into the future of the NHS finance function, drawing on best practice taking place in other sectors and advising on what a vision for NHS finance might look like. You can find a summary of their research on the Future-Focused Finance website. This report draws on PwC's research, the conclusions drawn and the recommendations made.

This report sets out the scale of the challenge facing NHS and we believe that now, more than ever, the NHS needs the best finance staff to deliver the best possible value for patients and taxpayers. Through our research we have found a diversity of views, but there is a lot of congruence around the key themes that our vision is built on. We are now testing this vision with you – the 16,000 people currently working in NHS finance in England, with a view to developing a road-map to turn the vision into reality.

Throughout this document are a series of questions; we want to know what you think about the future of NHS finance and whether our vision of the future inspires you. We are planning a range of events over the coming months to obtain your views. Details of how to send us your views directly can be found in the next steps section of this report.

We will collate the feedback we receive and produce a final report in 2020.

² NHS, *Interim NHS people plan*, June 2019



What does the future look like?

We know that the NHS finance function faces a challenging future. The demands of an ageing population with a growing complexity of needs are well documented. We know that technology is emerging that can support the development and operation of the health and care system, but sometimes we do not know how to optimise our use of it and to some, it can appear as a threat. The political and financial environment in which we operate has never been more uncertain, although the NHS has been fortunate to receive a financial settlement outside of the normal political cycle.

Yet within all of this uncertainty, the NHS will continue to support the health and wellbeing of the population, seeking to constantly improve the quality of care delivered and offer new and improving treatments. The NHS finance function must be ready to step up and provide the essential foundations for the service to achieve its aims. To do this, we must look carefully at what the future may hold and how we, as a profession, can prepare for it now.

The future NHS

The success of the NHS has created its biggest challenge; people can expect to live for longer as more conditions can be treated at an earlier stage or managed effectively. This longer life expectancy has resulted in a steady increase in population, with a growing proportion over the age of 75. More people are living with multiple conditions, many of them long-term. Those with a long-term condition tend to make more use of healthcare services and account for the majority of inpatient bed days.

Alongside ageing, lifestyle factors have a significant effect on people's propensity to develop a long-term condition. These are often linked to levels of deprivation and hence tackling health inequalities becomes even more important when considering how to reduce demand on the NHS. Lifestyle factors, such as housing, employment and education, are not within the remit of the NHS to address and the prevention of ill health requires a society wide effort. The *NHS long term plan* recognises that closer working across the public sector is essential to address the population challenges of the future.

Those who do require care will see that care delivered in new ways, with a stated intention in the *NHS long term plan* that

digitally enabled care will become a mainstream approach. As genomics technology develops, people will receive more personalised treatment which should be more effective than a 'one size fits all' approach as it is tailored to an individual's genetic make-up. The increasing precision of robotics technology will see an expanding role for automation in surgical procedures and wearable technology is already having an impact on lifestyle.

The delivery of care model that was developed in 1948, based around acute hospitals, will increasingly be challenged as people demand convenience and care that fits in with their life rather than a dictated care regime that they have to fit into. The NHS finance function must play a key role in developing the policies that will meet the future demands on the service, facilitating successful transformation over the next ten years.



The future NHS finance function

For the NHS finance function, the obvious challenge is constrained resources; how can all of these changes be realised within the restricted funds that are available to the service? The answer is that the way the service is delivered will have to change and this means that the finance function will not only have to change with it, but should be at the forefront of developments.

The purpose of the future NHS finance function

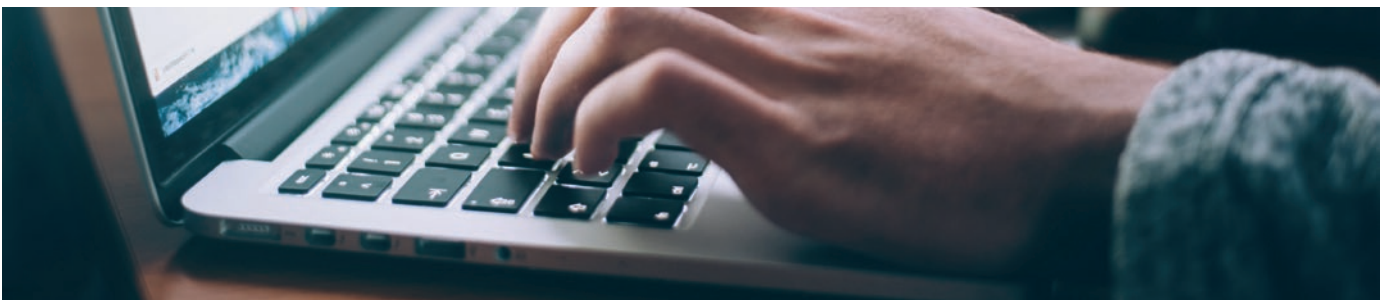
The *NHS long term plan* sets out the intention that all areas in England will work as integrated care systems (ICSs) by 2021. This will involve greater integration and collaboration between all parts of the NHS plus closer working with social care and other parts of the wider public sector, recognising the combined effort that is needed to improve the health of the population. Developing a population health approach for a system will mean maximising the value of the NHS pound, or even the public sector pound, irrespective of organisational loyalty.

The NHS finance function will lead the way in developing a system wide understanding of value, that does not just consider cost but takes a much more rounded view of the impact of that expenditure, considering the outcomes achieved for the patient and the system. Finance staff will support the system to recognise outcomes as a key measurement for the effectiveness of contracts, working closely with clinicians and operational managers.

Finance has to lead by example and while recognising the need to provide financial support for individual organisations, finance must lift itself out of the day to day and really help the NHS to understand the opportunity and implications of their decisions on a system basis, for the benefit of patients. Enabling the system to make better decisions, will lead to better health for the population.

Research by PwC³ shows that there are much greater demands of the finance function from the business in terms of providing financial and non-financial insights and analysis. The lines that separate the finance function and the wider business are more blurred, with finance playing a key role in strategic decisions and future planning. The NHS finance function already has good examples of close working between clinicians and finance professionals but this business partnering model will be developed to focus more closely on value adding activities. Earlier work by PwC⁴ highlighted some of the common features that top finance functions shared. These included being able to perform tasks such as budgeting and forecasting quicker, thus enabling more time to be spent on analysis rather than data gathering.

Participants in the research for this report identified what good looks like for the future NHS finance function, from a range of perspectives as shown in **figure 1**. Details of the event that enabled these views to be shared, are included at **appendix 1**.



3 PwC, *The ascent of digital*, 2018

4 PwC, *Stepping up: how finance functions are transforming to drive business results*, 2017

Figure 1. What does good look like to our stakeholders

At PwC's The Difference event participants were tasked with exploring the opportunities for NHS finance and identifying the ambitious, tangible value an NHS finance function of the future could deliver to key stakeholders. The outcomes were as follows:

Finance staff:

"We want to be trusted and valued members of the integrated frontline management team, adding insight and thus value to patient care."

Non-finance staff working in healthcare:

"We want to be seen as one NHS team, with one goal."

Regulators and governors:

"We want to manage via a few key, value-driven metrics and to be better able to improve patient outcomes, innovate and share best practice and proactively manage risk."

Taxpayers:

"We want the knowledge that we have a health service that costs no more than people are prepared to pay for it. We would like there to be transparency on how money is spent in the NHS, and would like some level of influence on how it is spent."

People receiving care and services:

"We want to know that the best possible expertise and technology are available for our health, wellbeing and care, when and where we choose, providing the best possible health outcomes."

How will the future NHS finance function work?

The technological developments that will support the changing nature of healthcare are not limited to clinical practice; the way that the finance function works will also change. In a time of limited resources, it is vital that the NHS finance function is able to maximise the efficiencies, new ways of working, and access to improved information and insights that new technology has to offer. It is important that the finance function utilises the available technology to free up time to undertake the added value activities of analysis, predictive modelling and improved reporting.

Embracing the right technologies and implementing them well, will enable the finance team to work more effectively; simplifying data flows, improving communication and making best use of the skills of finance staff.

Cloud computing

Cloud technology enables instant access to stored data from a range of network connections. While it is already in use as a data storage and sharing system in some parts of the NHS, it has the capacity to further simplify data flows and enable better communication within organisations and across boundaries to other system partners. The use of cloud technology can improve standardisation so that the same information is used consistently, and it also supports risk management through reducing local data storage.

Blockchain

Blockchain technology can offer NHS finance the possibility of recording and verifying transactions simultaneously in real time, eliminating overheads and the need for individual payments between organisations. Real time transparency across the network would allow for simplified audit analysis and improved cash controls. With a large proportion of transactions being internal, blockchain could be the catalyst for removing the inefficiencies of multiple payments and reconciliations.

Artificial intelligence

The focus on population health means that the NHS needs to understand patterns of need and accurately forecast how these might change in the future. Artificial intelligence can be used to perceive patterns in data, that could be aggregated from across the system, and use these to model future scenarios to enable better decisions to be made.

Robotics

Robotics can be used in the form of robotic process automation (RPA), where logic driven software carries out pre-programmed tasks. For the finance function it means that many high volume, low complexity, manual tasks which are repeated on a daily, weekly, monthly or even annual basis can be automated. This not only speeds up the processes but frees up staff to work on more value adding activities. As an automated process, it also assures accuracy and consistency, thus eliminating errors and removing the need to rework. The increased processing speed can also enable the delivery of more timely information to support decision making. RPA is already in use in some NHS finance functions.⁵

The use of one, or a combination, of the highlighted technologies will support the finance function to deliver real time data and insights. Access to real time analysis across different parts of the business would allow clinicians and managers to see the impacts of the decisions they make much more quickly and, with the support of their finance partners, analyse different courses of action. More timely information will lead to a better allocation of resources and improved investment decisions.

⁵ HFMA, *The digital workforce in healthcare*, July 2019

What skills will be needed in the future NHS finance function?

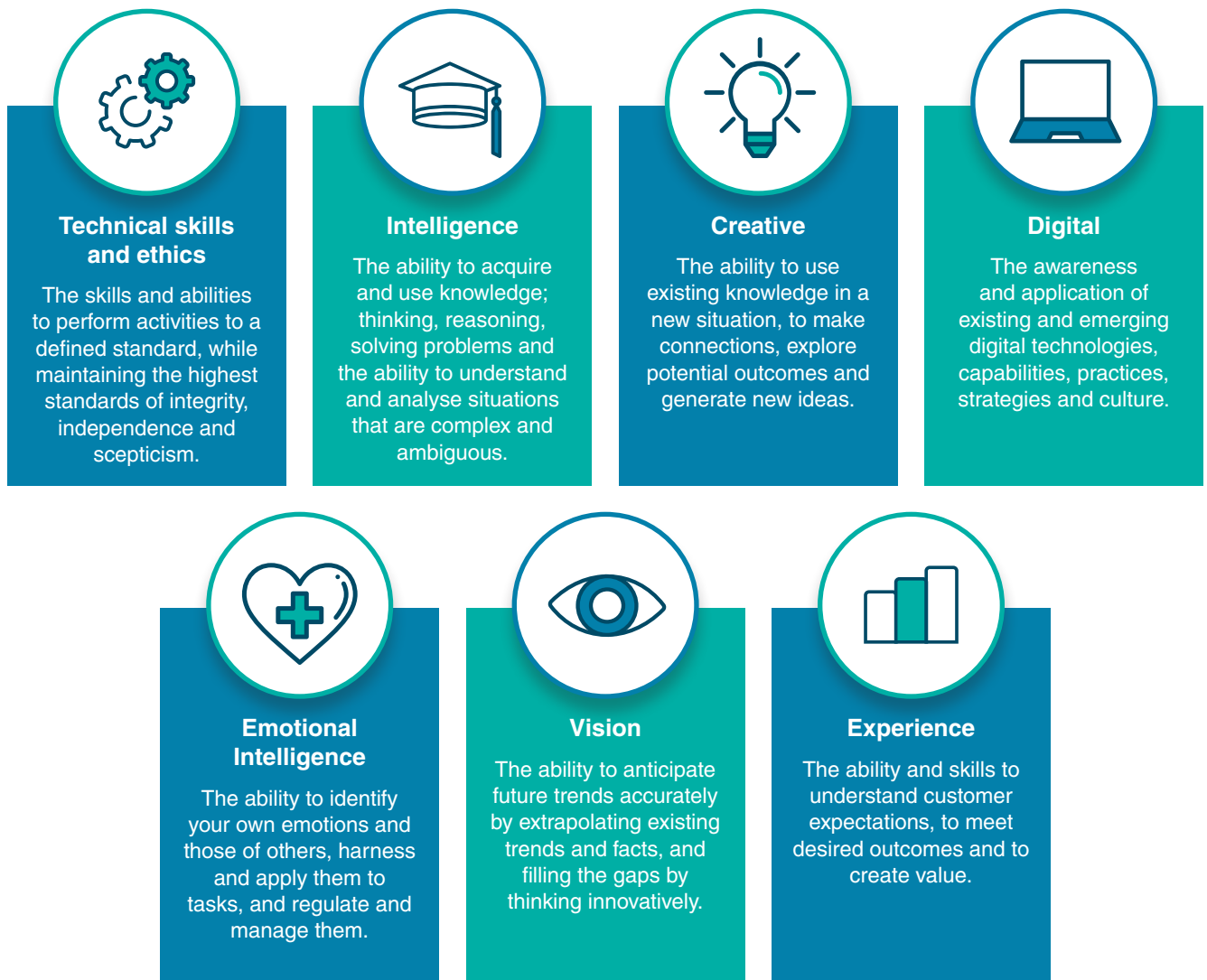
The NHS finance function of the future will require a number of roles and skills which are not part of the current skill mix. The ability to produce data, more quickly and more accurately, will demand a workforce equipped with analytical capabilities in order to capitalise on the insights that will become available. Not only will the finance team need to understand and interpret the data, they will need to be able to communicate it effectively to other parts of the system in order to maximise its value.

With any automated process it is essential to understand whether the output is correct; the increased use of technology does not remove the need for the corresponding technical skills in the workforce. Equally, if an automated system highlights an error or potential fraud, the staff working with that process must be able to confirm the legitimacy of the warning⁶, and develop an appropriate response.

As technology removes the burden of routine processes for the NHS finance function, finance staff will be able to take a true business partnering role in the organisation. This will require staff to build relationships and influence decisions, to ensure that the available information is understood and being used well to deliver better health. Planning and negotiating skills will grow in importance as finance staff become more involved in service development and allocating resources to best effect. The HFMA, with FFF and ACCA, has carried out some research⁷ into the role of the NHS finance business partner, which sets out the skills required to be effective in the role. It is essential that staff understand how they, as finance professionals, can have a direct impact on the quality of patient care.

The ACCA has carried out research⁸ into the skills which will be important in the future finance function as shown in **figure 2**.

Figure 2: The seven skills of success



⁶ HFMA, *Looking ahead: the NHS at 100*, July 2018

⁷ HFMA, FFF, ACCA, *Exploring the role of the NHS finance business partner*, November 2019

⁸ ACCA, *Drivers of change and future skills*, 2016

Those working in the NHS finance function need to take personal responsibility for their own careers, taking advantage of personal development opportunities and understanding where they need to improve skills or develop new ones. It is important to recognise that the skills described in **figure 2** are needed for a successful finance function, but do not all need to be present in all members of the team. The NHS finance function of the future will enable staff to build upon their core skills, supporting them to use their abilities in the best possible way for the NHS, the finance function and their personal development. Successful finance teams will be made up of people who, as a team, exhibit a range of skills and complement one another. Organisations must support the development of finance staff in the same way that they seek to develop and retain those with clinical expertise. As a function, NHS finance needs to develop the skills to share best practice well, through improving communication across organisational boundaries and enabling the profession to network with colleagues in different sectors and specialties.

With an increasing retirement age; the range of experience, views and attitudes in the NHS finance function will increase. The future NHS finance function will therefore have to consider a wide range of requirements and preferences when developing roles, career paths and working practices. For example, the younger generation are likely to disengage if their views are not heard. They are also more likely to move on if roles do not meet their expectations or are not aligned with their values. Those who are mid-career, with growing families or other external commitments, may be seeking to change to part time hours. People in the latter stages of their career may need extra support to work in new ways or to welcome developments that may seem irrelevant to their customary working practices. As opportunities develop for new, more specialist roles, people may seek to change their roles and should be supported to do so, where possible.

As the NHS develops to work in a more integrated and collaborative way, it is likely that the NHS finance function will include people from outside of the organisational boundaries of the team. These may be from other NHS bodies where an alliance approach is being taken to service delivery, or they may be from the wider public sector, with joint health and social care finance teams already in place in some parts of the country.

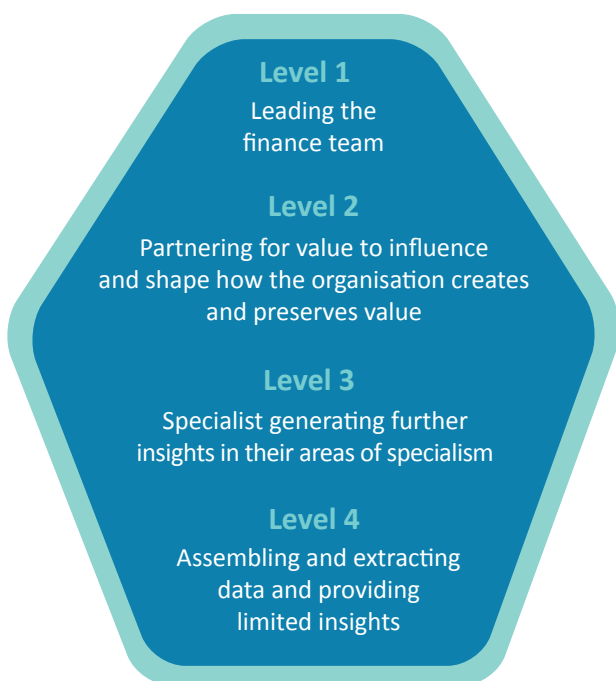
As the range of skills and knowledge grows within the NHS finance function, so we also expect the diversity of the function to increase, to better reflect the make-up of population that it supports.

What will the future NHS finance function look like?

The structure of the future NHS finance function will look quite different as the roles of staff change. With technology removing the need for routine manual processing staff, the bulk of the workforce will be undertaking business partnering and data insight activities to inform the ongoing strategy of the organisation and system. This means that the shape of the function is likely to move from the traditional hierarchical pyramid, to more of a diamond, recognising the need for specialists who work with clinical teams and other areas of the business. Research by the Association of International Chartered Professional Accountants (AICPA)⁹ suggests the parts of the function can be represented as shown in **figure 3**. The flat top to the diamond reflects that, in a collaborative working model, leadership of the team is likely to come from a number of areas depending upon the work being undertaken.

⁹ AICPA, *The changing shape of the finance function*, June 2018

Figure 3: The changing shape of the finance function



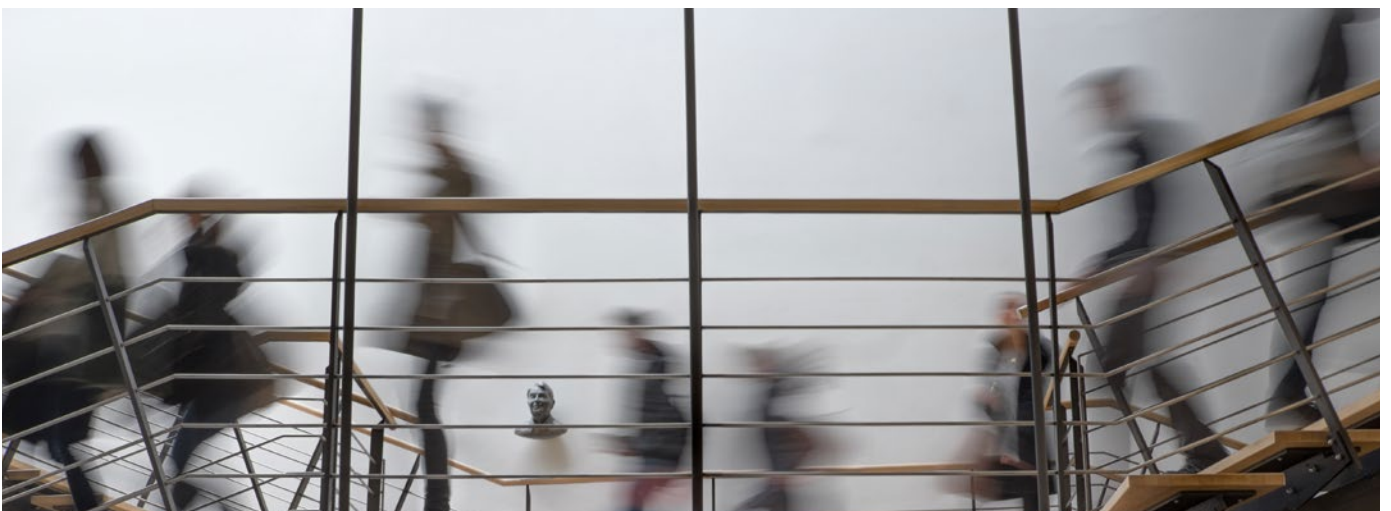
In a model such as this, it is essential that specialist skills are recognised and appropriately rewarded, rather than just being seen as a stepping stone to a leadership role. With a reducing number of organisations, not all senior posts will be at board level. Career paths will change and some of those who have reached director level may not wish to stay there until retirement.

Share your views

Do you agree with the views on 'what good looks like' in figure 1?

For the following areas, do you agree with our assessment or are there other aspects to consider?

- the purpose of the future NHS finance function
- how the future finance function will work
- what skills will be needed in the NHS finance function
- what the future NHS finance function will look like in terms of size and skill mix.



What challenges do we face?

While we can feel fairly confident that we have identified the key ingredients of the future NHS and its finance function, there are a number of challenges to achieving this vision. Some of these challenges must be addressed by the system as a whole, others are within our gift as finance professionals to influence and change.

System challenges

The system challenges are well known – a growing and ageing population, with increasing complexity of need demanding a more responsive service, in a financially constrained environment.

The *NHS long term plan* sets out a new model of care for the 21st century which focuses on closer working of all statutory bodies involved in the health and wellbeing of the population. This will partly be achieved through the expansion of integrated care systems (ICSs). The *NHS long term plan* also seeks to move care out of hospital and base more services in the community, co-ordinated through primary care networks. There will be an increased focus on personalised care, giving people more choice and control over the care that they receive. Each of these has the potential to significantly change the health and care environment that we currently work in, with changing organisational boundaries and a much wider focus on health beyond the NHS.

Managing demand through preventing the onset, or exacerbation, of ill health is also a key tenet of the *NHS long term plan*. This will require health services to work much more closely with local authorities, who hold responsibility for public health and health promotion. All of these changes are taking place in an environment of intense financial pressure, with the recent additional injection of cash really only serving to keep the system going. If the NHS wants to offer ever improving services and treatments, then these must be made possible by delivering efficiency across all aspects of the organisation.



NHS finance function challenges

The financial challenge that the NHS faces requires a finance function that can lead the way in developing new ways of working; building efficiencies into standard processes and innovating to improve how things are done. Ultimately resource is scarce and informed decisions and trade-offs need to be made. Combining the expertise of finance teams with clinical and operational staff, means that better decisions can be made on how to get the most value for patients from the NHS pound, enabling better health for the population.

The NHS finance function faces a further, internal challenge; how to work as a single function rather than the 400+ functions that can sometimes seem to be at odds with one another.

The system that the NHS finance function works within, presents a number of challenges for those employed within it.

As technology develops and the use of personalised medicine grows through the advancement of genomics, the standardisation of care will reduce. For patients this means that treatment will be more effective, and for the system this should mean that people will remain healthy and independent for longer, with less frequent use of services. But for the finance function, this presents a challenge. For example, it is quite possible that two patients will be prescribed two completely different drugs for the same condition, one considerably more expensive than the other. It is clear to see that this will have a major impact on standard costing and will require a greater focus on outcome and value, than input cost.

The use of technology within the finance function will also present challenges. Currently the NHS is underinvested in the use of technology for back office functions, such as finance, despite the opportunities that it offers to improve efficiency and accuracy. The challenge to doing so effectively is investing in new systems and processes, at a time of scarce resources. Offering technological solutions as shared services across the finance function could be a way to tackle this dilemma. However, it will be important to retain sufficient local flexibility in shared technology to enable systems to effectively report and monitor work to address local population health issues, which may not be a priority elsewhere in the country.

The move towards greater system working will challenge the organisational focus that finance functions have. Decisions that are right for the system may not be beneficial to all organisations within it. The NHS finance function, under current reporting regimes, will have to balance organisational priorities and statutory duties, with those that are required to enable the system to operate effectively. Acting as single finance function within the NHS, would help to enable this new way of working. We need to think about how finance staff can best support the future NHS, working in bigger teams when it makes sense to do so.

Working across boundaries will further challenge the finance function when considering how funds should be invested to improve patient care. For example, investing in prevention activities can be challenging if the return on investment is anticipated in another part of the system. The investment may be the right thing to do for the health of the population but may adversely impact the financial position of an individual organisation. NHS finance staff will have a key role to play in enabling the system to understand its collective, and individual, duties while improving care for the population.

Share your views

Do you agree with our assessment of the challenges facing the NHS finance function or are there others that need to be considered?

Should we consider consolidating finance teams across areas? What are the pros and cons of this?

To what extent should financial systems be shared? Should this take place at a national, regional or system level or not at all?

Workforce challenges

As people's expectations change for the care that they receive, so do expectations around employment. Engagement with stakeholders for this report produced five clear themes that the NHS finance function has to address in order to attract and retain the best talent.



Sense of purpose and value

The NHS finance function is fundamental to the delivery of high-quality care that impacts people's lives. However, it can be easy to lose sight of that when faced with financial returns and complex spreadsheets. 'Public sector values' and 'improving patient care' feature highly among the motivations for people to join the function¹⁰, it is therefore vital that employees are supported to identify how their role adds value and makes a difference.



Health and wellbeing

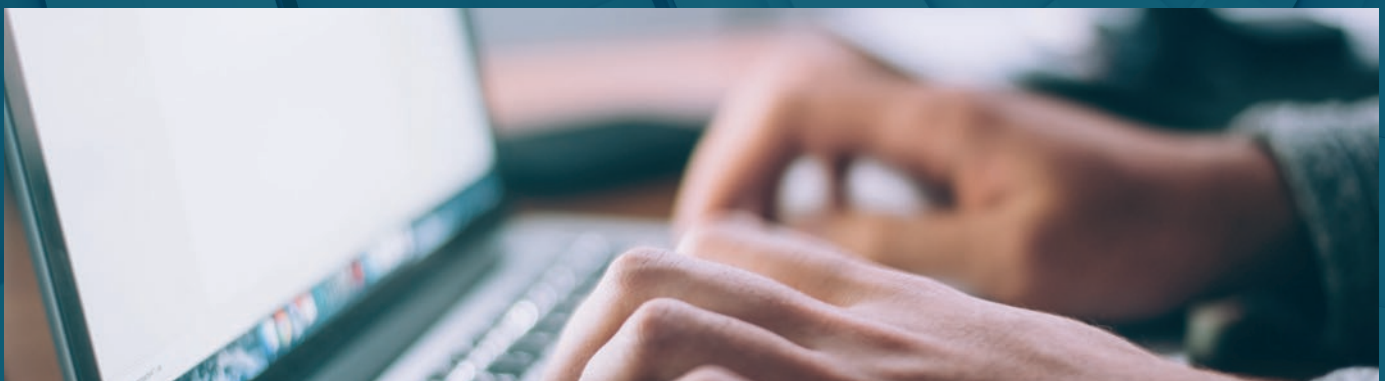
The sickness absence rate in the NHS is much higher than in the private sector, creating a challenge to understand why and come up with ways to address this.

Organisations need to focus on their wellbeing offering in order to create a healthy working environment that allows staff to work at their best.



Challenge and variety

Finance can appear to be driven by routine, with the same tasks being carried out in the same way by the same people. But with the development of technology that can automate many of these tasks, more opportunities will arise to allow people to increase the challenge and variety of their role. The challenge for the function is to enable people to develop their full potential by offering job rotation, secondments and other experiences within the service.



¹⁰ HFMA, *The NHS finance function in 2017: England*, May 2018



Culture

Leading organisations place a high level of importance on culture in the workplace. This is recognised in the *Interim NHS people plan* which emphasises the need for positive, compassionate and inclusive cultures, brought about by leadership which reflects these ideals. Finance staff want to work in a more open and sharing culture, that is spread across the organisation and there is a need to recognise the value of specialist skills.

There is a growing focus on diversity and inclusion with the NHS finance function. It is recognised that there may not be a true equality of opportunity within the function. Further work needs to be done, building on the positive steps already taken by many organisations and supported by FFF and the HFMA. Culture also encompasses that way that people work, the traditional 9am-5pm office-based job need not be the norm as technology allows more flexible working.



Technology

The NHS finance function has the opportunity to be leaders in using technology. Up to date technology can increase productivity, encourage innovation and improve collaboration. In order to maximise the opportunity, all finance functions need to be equipped with the right level of technology and be encouraged to use it to its full potential to get the most value for the service.

However, the function must recognise that emerging technology can threaten some roles, particularly those that focus on transactional processing and care must be taken to support staff as their jobs change. The NHS finance function must consider how to retain talent through retraining and upskilling staff as working practices change.

The five themes discussed are highly dependent upon the leadership approach, which can determine the culture of the organisation and the NHS finance function.

The *Interim NHS people plan* highlights the need to foster systems-based, cross-sector, multiprofessional leadership that supports moves to integrated care and offer a more place-based approach. Leadership development is essential to the future success of the function and it should be recognised that leaders are not just those in senior positions, but everybody who supports and influences the operation of the organisation and wider system.

The *Interim NHS people plan* sets out the intention to ensure that the *Well-led framework*¹¹ used by the Care Quality Commission is sufficiently focused on leadership and culture, recognising the link between these and the achievement of outstanding ratings.

11 Care Quality Commission, *Trust-wide well-led*, 2018

How do we move from where we are now to where we need to be?

Much of what the NHS finance function needs to do now to prepare for the future, is already being done. But it is being done on a small scale under local initiatives. In order to build the finance function that the NHS of the future needs, a coordinated effort must be made by the profession to change the way that it works and how the finance workforce is supported.

Operation of the NHS finance function

The finance function has the opportunity to be a catalyst for improved system working. Many teams already have relationships beyond the boundaries of their organisation, and these can be utilised to improve collaboration across the NHS and wider health and care system. Finance staff should be actively building relationships with their counterparts in other bodies and with other functions, such as clinical teams. This will position the NHS finance function as an integral part of the business, demonstrating our value and ensuring that we can support the system to make better decisions to deliver better health.

Embracing technological change is essential, but this must be done in a coherent way with national guidance to ensure interoperability between systems. Technology has the potential to transform the way that the function operates, enabling efficiencies to support the effective use of scarce resources. However, a piecemeal approach to implementation could potentially create new barriers to system working.

Technology should not be seen as the solution to inefficient practices. The NHS finance function must first review its processes and determine which are adding value and which are creating unnecessary costs for the system. An effective function must critically appraise its operation, and this should be a cycle of continuous improvement, rather than a one-off exercise. Applying technology to an inefficient process just adds further cost into the system. The finance function must ensure that it is not just 'keeping score' for the organisation but is taking opportunities to add, and create, value for the organisation.

The NHS finance function should embrace the 'getting it right first time' (GIRFT) ethos that is being applied to clinical services across acute, community and mental health providers. Ensuring that processes are efficient and produce the required information in the correct format without additional rework, will streamline reporting and enable organisations to use more timely and accurate data in their decision making.

As the benefits of well-chosen and successfully implemented technology are realised, the function must look at the value-added activities that only the human workforce can supply. This process can start now. Finance business partners can support the business to understand and utilise financial information effectively. The NHS finance function must use their developing relationships to add value, through delivering business insights and intelligence that the financial data reveals. Comparison with other industries shows that the best finance functions spend 20% more time on data analysis than data gathering, with a clear role for business partners who can focus on delivering support to their part of the business.

The profession must recognise the value of care, moving to an outcome driven approach rather than a cost focused system. The monitoring and analysis of cost will remain important for a financially sustainable system, but cost must not be the only driver for decisions. The value of interventions and investment must be considered holistically; the NHS finance function has a key role to play in supporting this.

Local finance functions may already be grappling with some of these issues and how to change established practice. While pockets of local innovation are to be welcomed, as one NHS finance function there is an opportunity to share what works and perhaps develop solutions across sectors, geographies, specialisms or as a national approach. This could be enabled by the development of a finance innovation unit; a virtual team that pulls together ideas, can work together to tackle particular issues over a defined timeframe, and can help to disseminate effective, innovative practice across the profession.

NHS finance workforce

Over the last two years, NHS England and NHS Improvement have been developing a national retention programme¹² that supports trusts to recruit and retain clinical staff. It considers support for new starters, career progression, health and wellbeing and flexible working to name but a few. The programme enables sites to share what they have learnt and offers guidance on schemes that could be implemented. It is primarily aimed at nursing staff and was developed in response to concerns around rising vacancy levels. In July 2019, it was announced that this scheme would be rolled out across the NHS¹³ and would include a 'transfer window' to enable staff to move between areas and develop new skills.

This report is our opportunity as a profession to develop the same opportunities and consideration for our workforce. The crisis in clinical workforce is well documented. As a profession, we are fortunate that we are not experiencing the same issues, but we must take steps to ensure that our staff are proud to be part of the NHS finance function; that they feel supported, sufficiently challenged and are valued as part of the NHS family. We can predict what the finance function of the future might look like, but we must take steps now to ensure that we have it.

Share your views

Do you agree with our views on preparing for the future?

Would the creation of a finance innovation unit be helpful?

How could the principles underpinning GIRFT be applied to the finance function?

What do you think needs to change in your organisation and system to bring about the NHS finance function of the future?



¹² NHS Improvement, *The national retention programme: two years on, 2019*

¹³ NHS, *NHS rolls out staff retention scheme as part of the long-term plan*, July 2019

Next steps

With the help of people from across the NHS finance function, we have developed a vision for the future. We understand the nature of the challenges that the profession faces as it evolves to support the NHS of the future. But to get there, we need your help.

Throughout this document we have asked you questions; we want to know what you think and whether our vision of the future inspires you. We will be holding a national event in 2020 where we will be building a programme around the content of this report and incorporating all the feedback that we have received so far. This will be supported by regional events to ensure that everybody who wants to be involved, can be. You can also email us with your views at:

futurefocusedfinance@nhs.net

Later in 2020 we will publish a final version of the vision and how it will be achieved.

National change requires local action. FFF value makers will be engaging with their finance teams to develop this discussion and gain further feedback. Please take an opportunity at a team meeting or workshop to discuss your collective

views and to think about what you can do now, in your own organisation.

This is our opportunity to develop our NHS finance people plan. This is our opportunity to create the NHS finance function that we want to work in and that others aspire to be a part of. This is our opportunity to design our future.

“Where we are met with cynicism and doubts and those who tell us that we can’t, we will respond with that timeless creed that sums up the spirit of a people: **Yes, we can.**”

President Barack Obama, 2008



Appendix 1: Our approach and acknowledgements

Our approach

This report is based on research carried out by PwC. PwC has worked with over 200 people across the NHS in England and related organisations. From accounting bodies to health charities, PwC has engaged with a range of internal and external stakeholders. They interviewed finance leaders inside and outside of the NHS to understand their perspectives and concerns. PwC held several focus groups with experienced leaders in education and training and spoken to digital experts on digital breakthroughs.

PwC reviewed existing research, thought leadership and evidence in the UK and internationally, including leading organisations in health as well as across other industries and current thinking of the main UK accounting bodies on the challenges and opportunities facing the finance function. PwC have drawn from relevant material where appropriate, as referenced through-out this report.

PwC also heard views from a cross section of people currently working in the profession; from those early on in their NHS finance careers, to chief finance officers, chief executives, regulators and STP leads.

As part of the research PwC worked with a selection of NHS staff through an accelerated design event known as 'The Difference'; a one day event bringing together 45 participants from various levels of the NHS finance community to have their thinking stretched, develop radically bold visions and determine a desired future path for NHS finance. For the event to truly be successful and for different perspectives to be considered a diversity of thought was required, whether that be grade, organisation or function. As such, the net was cast wide.

The goal was for the commitments and vision created to empower participants and be instrumental in driving forward the future of NHS finance. The session was key in creating insight to feed into the many areas covered in this report.

Acknowledgements

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This report was written by Sarah Day, HFMA policy and research manager. It draws on research carried out by PwC colleagues, Nilam Tai, Josh Walker, Simon Weiss and Damien Ashford.

The work was directed and supported by Richard Alexander (Chief Finance Officer, Imperial College Healthcare NHS Trust), Caroline Clarke (Group Chief Executive Officer, The Royal Free London NHS Foundation Trust), David Ellcock (Programme Director, Future-Focused Finance), Kelly Hudson (Assistant Programme Director), Future-Focused Finance), Emma Knowles (Director of Policy and Research, HFMA) and Camilla Godfrey (Assistant Programme Director, Future-Focused Finance).



About FFF

Future-Focused Finance is about improving NHS finance for everyone; recognising the need for strong financial skills and understanding across all professional groups to deliver good patient care and value for tax payers. This national initiative has been designed to improve the quality of finance teams and financial management across the NHS. Delivery is through a range of networks, frameworks and toolkits, as well as events, workshops and other learning and development opportunities.

In 2018, the Finance Leadership Council refreshed their strategic aim and objectives. This means, with the support of the Finance Development Foundation and Skills Development Network, we're working to develop a diverse, appropriately skilled, adaptable and resilient finance function and workforce, to ensure value for money and quality services for patients.

About PwC



Health Industries at PwC

Healthcare matters to us and it matters to our clients. We all want better healthcare, sooner and the potential is there to make it happen. New technology, new breakthroughs, new ideas. But while there are opportunities, there are challenges too: constrained budgets, an ageing population and an increase in chronic conditions. At PwC we're working with clients to steer a course to success in this new health economy so we help improve healthcare for all.

We are working with the NHS, nationally and locally, as well as the private sector and the Pharmaceutical and Life Sciences sector to deliver real, workable solutions to today's challenges. We are delivering transformation and integration projects with patient outcomes at their heart. And we are supporting organisations through testing financial times often developing bespoke operational and digital systems. We provide strategic support to organisations across healthcare and pride ourselves on convening different parts of the system to solve problems. We also bring insight and expertise to healthcare as well as engaging in the public policy debate. For more information sign up for our Health Matters blog [here](#).

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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