December 2016

NHS financial temperature check

Finance directors' views on financial challenges facing the English NHS

Briefing

Contents

The HFMA is grateful to all the finance directors who took the time to complete the NHS financial temperature check survey.

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Introduction

This is the sixth in a series of HFMA briefings setting out finance directors' views on the financial issues facing the English NHS. Directors completed the survey during late October and early November 2016. It draws on the responses of finance directors and chief finance officers[1] (CFOs) of 128 (54%) provider trusts[2] and 73 (35%) clinical commissioning groups (CCGs) from across the NHS.

Key findings

The financial performance of the NHS in England continues to be a significant concern. Following the combined deficit of £2,447m reported by trusts for the financial year 2015/16, a number of interventions have been made at national level, both in regulation and in the allocation of NHS resources, aimed at restoring the provider sector to financial balance. Meanwhile a new strategic planning process, requiring the preparation of sustainability and transformation plans (STPs) for defined geographical areas, is being implemented with the aim of delivering large-scale change in the way care is provided.

In nationally reported performance, NHS trusts reported a combined £648m deficit for the first six months of 2016/17. This includes a £900m injection from the sustainability and transformation fund. Overall CCGs[3] reported a £159m overspend against what was planned for the first five months of 2016/17.

Our survey finds many organisations across all NHS sectors and in all parts of the country are under severe financial pressure. CCGs are also now forecasting a significant overspend. Meanwhile, many finance directors think the quality of patient services is deteriorating, and even more think it will deteriorate further in 2017/18.

While there is broad support for STPs, there are concerns about the scale of associated expectations and the consequent financial risk. There is still not enough clarity about accountability for implementation and about their governance.

Analysis of our survey shows:

- 52% of trusts and 21% of CCGs are forecasting a deficit for 2016/17. 31% of all respondents do not expect to keep within their financial control totals for 2016/17.
- The principal factor leading to higher than expected provider costs is the underachievement of planned savings. Agency staff costs, planned non-pay costs and increases in fines are also causing concern. Among CCGs, material factors are acute hospital contract costs, the cost of nursing care and the underachievement of planned savings.
- 57% of CCG CFOs and 39% of trust finance directors consider the level of risk surrounding their 2016/17 financial plan to be high. Confidence in the delivery of planned recurrent savings in 2016/17 remains low (74% of CCGs and 64% of trusts), although non-recurrent savings plans are more solid.
- Finance directors cite the greatest threats to in-year financial balance as increasing emergency care activity, increasing demand, and the impact of financial constraints within social care organisations. CCGs also cite loss of access to their non-recurrent reserves.
- 85% of NHS finance directors do not believe the 2016/17 financial reset will succeed in returning the NHS to financial balance in the short term.

1 CCGs use the terminology of chief financial officer (CFO), whereas NHS trusts and NHS foundation trusts (FTs) generally use finance director. In this briefing we sometimes use the term finance director to mean both finance directors and CFOs together when describing the views of all our survey respondents collectively

2 We have used the term trust to mean NHS trusts and NHS foundation trusts collectively

3 CCGs work under a different financial regime to NHS trusts and NHS foundation trusts, which makes direct comparison of their financial performance difficult. CCG financial performance is reported against what was planned and business rules set out by NHS England apply. CCG allocations include their brought-forward surplus or deficit positions, and the plan will include agreed changes to the brought-forward position. Trusts' performance is based on in-year income and expenditure

- There is broad support for the sustainability and transformation planning process and 58% of respondents see clear and effective leadership in place. However, governance arrangements are unclear, and in the event of any conflict between organisational and STP objectives, a majority of finance directors would prioritise their own organisational obligations.
- Many finance directors view the financial ambitions of the STP process as very optimistic and believe the financial risks associated with it have not been fully recognised. Only 5% believe adequate risk management processes are already in place. There are pleas for realism.
- 22% of CCG CFOs and 25% of trust finance directors think that the quality of care is deteriorating during 2016/17.
- Nearly half (47%) of trust finance directors, and nearly a third (32%) of their CCG counterparts, believe care quality will deteriorate in 2017/18. Access to care, waiting times and the rationing of care are seen as particular pressures. However, very few finance directors view clinical outcomes or patient safety as at risk.

Financial performance

It is widely acknowledged that there is unprecedented financial pressure within the NHS. A growing and ageing population, social care funding cuts, limited increases in funding and capital constraints all have a significant impact on financial performance.

A number of welcome steps have been introduced, aiming at supporting the NHS to achieve financial sustainability and improve operational performance, such as the £1.8bn sustainability and transformation fund, two-year planning guidance and the bringing forward of the planning timetable.

As part of the reset of NHS finances, NHS Improvement published *Strengthening financial performance and accountability in 2016/17*[4] which sets out actions to support the NHS. NHS organisations are making concerted efforts to improve on the 2015/16 deficit position and stabilise the finances. The most recent financial reporting from national agencies and regulators show:

- NHS trusts reported a deficit of £648m[5] for the first six months of the 2016/17 financial year, £22m worse than planned. This reflects an improvement of £968m on last year's position at the end of quarter 2. However, these results include £900m funding from the sustainability and transformation fund. Some 142 (60%) trusts reported a deficit at the end of September 2016. A total of 227 providers (95%) have now signed up to their control total and 211 (93%) of those signed up either fully or partially met their commitments in the second quarter of 2016/17.
- The financial pressure is being felt by all sectors in the NHS, albeit more severely in the acute and specialist provider sectors. Among acute, ambulance and specialist providers, 113 (69%) reported a deficit six months into the financial year, while 29 (39%) of non-acute providers are reporting a deficit at the end of the second quarter.
- CCGs reported a combined overspend against their plans of £159m[6] (0.5% of allocation) for the first five months of the financial year. A total of 77 CCGs (37%) are reporting year to date overspends, with 39 (19%) expecting to report a cumulative deficit at the end of 2016/17 and 29 of these expecting this to include an in-year deficit. At month 5, 24 CCGs are reporting a worse position compared to plan, of which four are forecasting an unplanned deficit.
- The commissioning expenditure for the year includes plans for non-recurrent investment expenditure of 1% of allocations. This has placed significant pressure on the commissioning system, increasing required savings from 2.2% of allocations in 2015/16 to 3% of allocations in 2016/17 plans. This

Among acute, ambulance and specialist providers, 113 (69%) reported a deficit six months into the financial year

4 https://improvement.nhs.uk/resources/strengthening-financial-performance-and-accountability-201617/

5 https://improvement.nhs.uk/uploads/documents/Quarterly_performance_of_the_provider_sector_as_at_30_September_2016_-_Full_report.pdf

6 https://www.england.nhs.uk/wp-content/uploads/2016/09/item-9-29-09-2016.pdf

1%, which is about £800m, will be released for investment in local priorities if it is not required to offset risks in the delivery of overall NHS financial balance.

The financial performance reported by NHS Improvement and NHS England shows that the financial pressures are continuing. Providers delivered £1.2bn of savings through cost improvement programmes in the first six months of 2016/17, reducing year to date expenditure by 2.9%.

However, £894m (75%) of these were based on recurrent schemes compared with a plan of £1.17bn (91%). In quarter 2, 71 providers reported an adverse variance against plans, primarily due to increased costs as a result of higher activity. Although 71% of trusts have reduced their agency expenditure since the introduction of agency rules in November 2015, and agency expenditure of £1.5bn at quarter 2 2016/17 is £312m less than at the same point last year, pay costs, non-pay costs and efficiencies remain a challenge. For the first six months of 2016/17, pay costs were overspent against plan by £77m, drugs and clinical supplies overspent against plan by £62m each and there was a £92m shortfall in cost improvement plans.

It is clear the NHS cannot afford to continue to operate in the way it has been. Organisations have made a good start to some ambitious plans to transform services and deliver efficiency savings. It is early days, with significant further progress and financial realism required.

Chart 1: Forecast 2016/17 year-end financial position, trusts

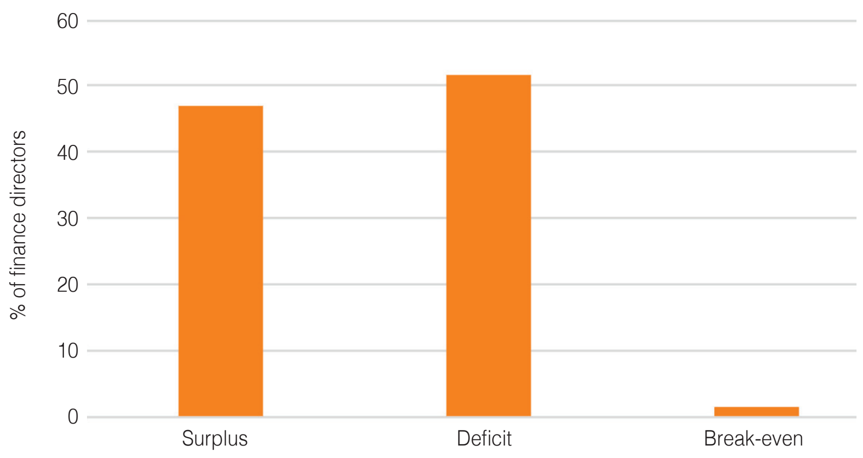
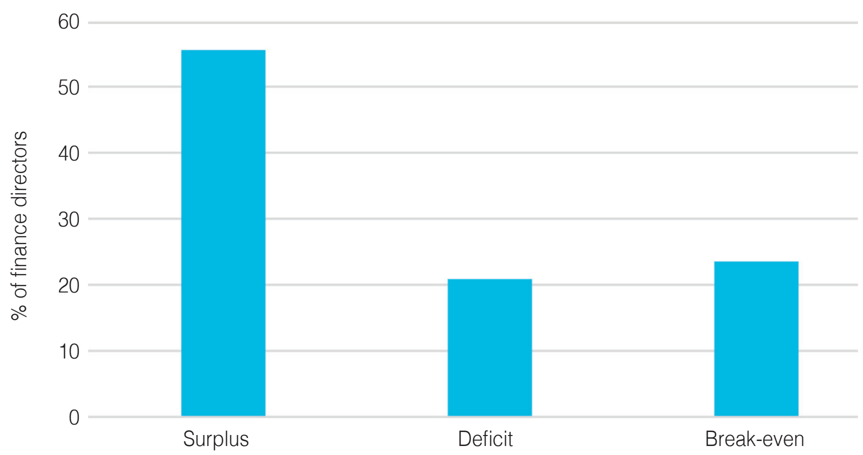


Chart 2: Forecast 2016/17 year-end financial position, CCGs



Year-end forecasts for 2016/17 and 2017/18

Our survey results show that, in line with figures already reported by others, 52% of trusts are forecasting a deficit, as shown in **Chart 1**. This represents an improvement on the position compared with the 2015/16 year-end, with 65% reporting a deficit. At the end of quarter 2, NHS Improvement reported that it expects 118 trusts (50%) to end the financial year with a deficit.

Among CCG survey respondents, 56% forecast a surplus for their organisation, as shown in **Chart 2**. This surplus is not comparable to the surplus reported by trusts. CCGs are required by NHS England's financial planning business rules to make a minimum surplus of either a 1% allocation or the 2015/16 surplus, less any agreed drawdown, whichever is the greater. Some 51% of CCGs said their 2016/17 forecast would reduce their brought-forward surplus. NHS England estimates that the CCG overspend will be £88m at the 2016/17 year-end.

Our survey shows that 45% of CCG CFOs and 31% of trust finance directors are forecasting a worse 2016/17 year-end outturn than their organisation's 2015/16 position, as shown in **Chart 3**. Among trust finance directors surveyed, 62% are anticipating ending the financial year in a better position.

Looking further ahead, just over half of the trust finance directors in our survey are forecasting a deficit position for 2017/18. However, the number of trust finance directors forecasting a surplus reduced from 47% in 2016/17 to 35% in 2017/18. Meanwhile, 25% of CCG CFOs responding to our survey are forecasting a deficit in 2017/18.

Performance against plans

NHS organisations have developed challenging plans for 2016/17, some of which were deficit plans. The majority of NHS organisations are forecasting that by the 2016/17 year-end their financial performance will be the same or better than planned at the beginning of the year.

However, 22% of trust finance directors and 35% of CCG CFOs expect their year-end financial position to be worse than their original plan. Only 3% of CCG CFOs and 14% of trust finance directors expect their year-end financial position to be better than planned.

Trust finance directors reported that the main causes of the variances between their forecast and 2016/17 plan were underachievement of savings plans (61%), increase in agency costs (34%), increase in planned non-pay costs (24%). These factors remain consistent with our previous surveys. **Chart 4** summarises the main responses.

Meanwhile, CCG CFOs reported different drivers for the variations between forecast and 2016/17 plan. The most common reasons cited were increases in acute contract costs (82%), increases in funded nursing care costs (74%) and underachievement of savings plans (74%). **Chart 5** summarises the main responses.

Chart 3: Forecast 2016/17 year-end outturn compared with the 2015/16 year-end financial position

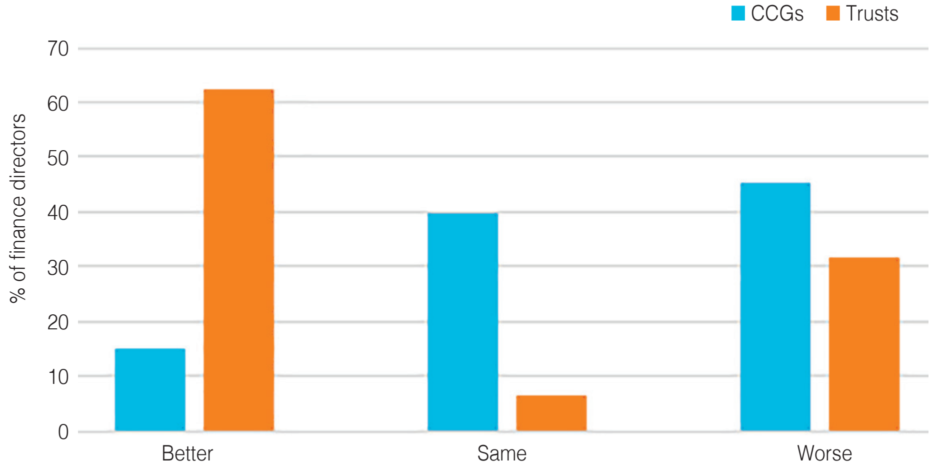


Chart 4: Causes of variance between 2016/17 forecast and plan, trusts

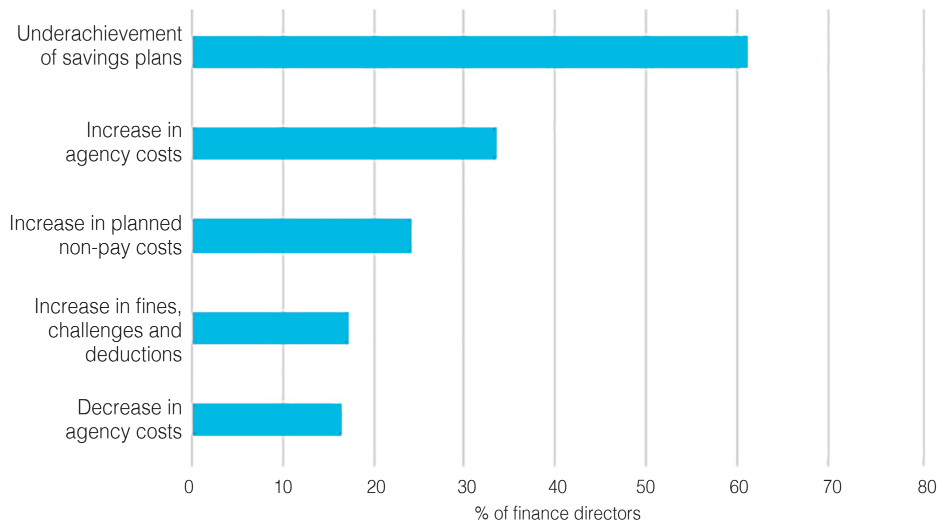
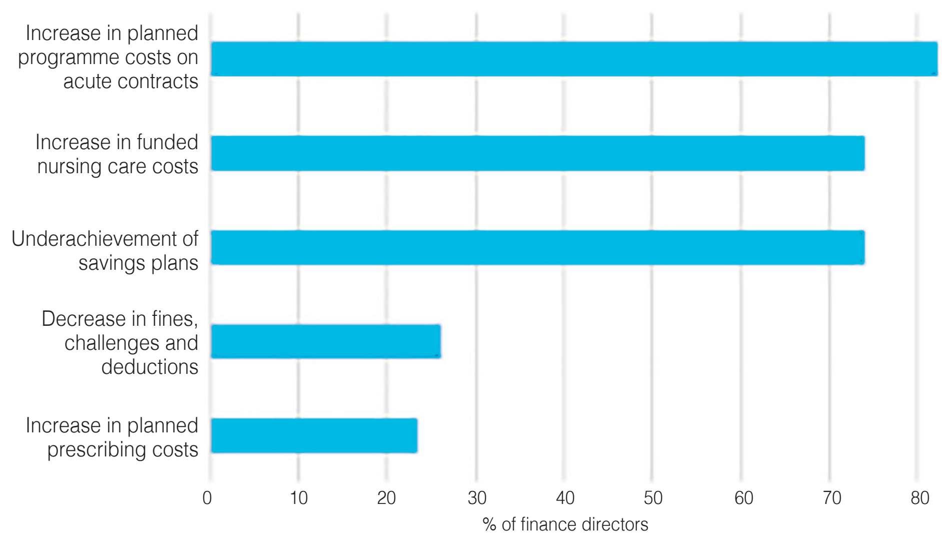


Chart 5: Causes of variance between 2016/17 forecast and plan, CCGs



NHS Improvement reported that 227 providers (95%) signed up to control totals at the end of quarter 2 in 2016/17

The trust and CCG variances are related, most directly where increases in trust income arising from extra activity is funded from CCG budgets.

Trust control totals and the 'reset'

Trusts' 2016/17 plans include an agreed control total, which represents the minimum level of financial performance, against which their boards and chief executives must deliver in 2016/17 and for which they will be held directly accountable. The receipt of sustainability and transformation fund monies is subject to achievement of the control total. NHS Improvement reported that 227 providers (95%) signed up to control totals at the end of quarter 2 in 2016/17.

Our survey shows that 68% of those who accepted the control total expect to meet it in 2016/17. Respondents noted that forecasts are tight and particularly dependent on the severity of winter pressures, delivery of cost improvement programmes, inter-organisational agreements and use of non-recurrent monies. Respondents also noted the need to balance the delivery of the agreed financial position and also the service consequences.

We asked directors if they thought the 'reset' exercise will lead to the provider sector returning to financial balance at a national level. Overall 85% thought that it would not, and this view was consistent across trust and CCG respondents. Although there were comments that plans would reduce the deficit, it was felt that the underlying deficit was too large to achieve financial balance in the short term. Respondents feel that the NHS needs longer to implement the significant changes necessary to address increasing demand, reduce the cost base and address financial position of both providers and commissioners.

Financial risk

Most respondents (92%) reported the degree of risk associated with achieving their organisation's 2016/17 financial plan as high or medium. The proportion of CCG CFOs estimating a high risk to achieving their plans in 2016/17 is 57%, compared with 39% of trust finance directors. The key risks to achieving trusts' financial plans were identified as:

- Slippage in cost savings programmes (66%)
- Agency staff costs (58%)
- Delayed discharges (58%)
- Increasing demand for services (56%)
- Impact of social care financial constraints (56%).

The key risks to achieving CCGs' financial plans were identified as:

- Loss of control over/access to 1% non-recurrent reserves (81%)
- Increase in emergency care activity (71%)
- Continuing healthcare (66%)
- Increasing demand for services (58%)
- Slippage in cost savings programmes (51%).

Savings programmes

We asked respondents about the achievability of their organisations' 2016/17 financial savings plans, as shown in **Table 1**.

In our survey, 66% of CCG CFOs and 83% of trust finance directors are very or quite confident their organisation's 2016/17 non-recurrent savings plans will be achieved. There is far less confidence about achieving recurrent elements of savings plans. Trust finance directors are most confident, with 33% very or quite confident, compared with 25% of CCG CFOs.

Table 1: Finance directors' confidence in delivering 2016/17 savings programmes

	Recurrent savings		Non-recurrent savings	
	CCG	Trust	CCG	Trust
Too early to say	1%	3%	6%	1%
Not at all	32%	24%	8%	4%
Not very	42%	40%	20%	12%
Quite	24%	30%	51%	58%
Very	1%	3%	15%	25%

Planning for 2017/18 and 2018/19

In September 2016, NHS Improvement and NHS England published the *NHS operational planning and contracting guidance 2017-2019*[7]. This two-year planning guidance and the bringing forward of the timetable was welcomed by finance directors because it enabled them to plan with more certainty – though such planning is felt to have been inhibited by an overlap with other changes, including the STP process and the planned move to tariffs based on HRG4+.

Alongside the operational planning guidance, regulators have set out control totals for 2017/18 and 2018/19. We asked respondents if they were planning to accept them. Some 52% of CCG CFOs and 41% of trust finance directors believed that their organisation would accept the control totals, while 4% of CCG CFOs and 14% of trust finance directors expect their organisations to reject them. The rest do not know.

Of those finance directors accepting the 2017/18 and 2018/19 control totals, 33% think they are achievable, 19% do not and 48% don't know. Some finance directors have concerns that they are unrealistic and do not reflect the required scale and pace of change required to enable significant transformational programmes across a number of organisations. Many thought that it was too soon to be able to say with any certainty whether they are achievable.

Meeting the financial challenges

We asked finance directors about the main mechanisms they plan to use to meet the financial challenges their organisations face. The planned responses are summarised in **Chart 6** and **Chart 7**.

Among CCGs, the main emphasis is on reducing procedures with limited clinical value, on integrating or redesigning care pathways and on investment in primary care. For trusts, the main financial emphasis is currently on cost reduction and containment.

Chart 6: Main mechanisms CCGs plan to use to meet challenges ahead

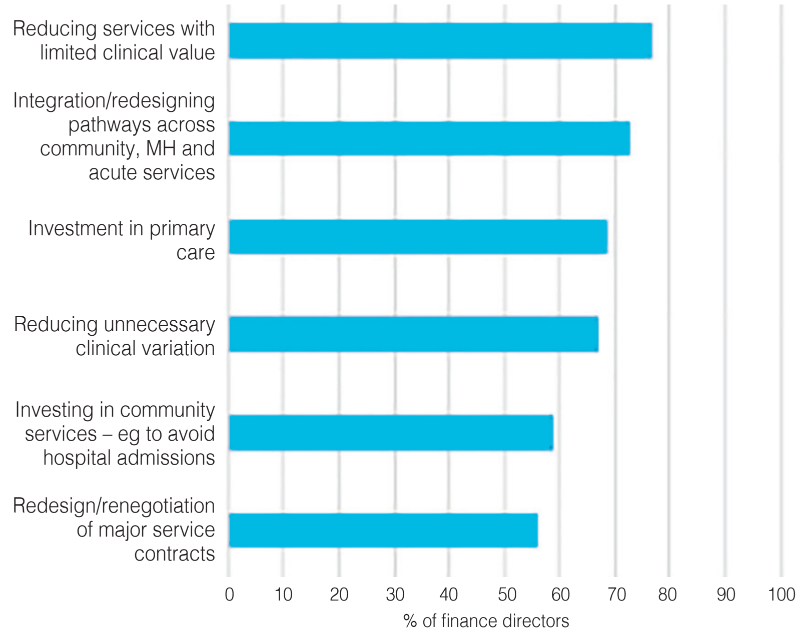
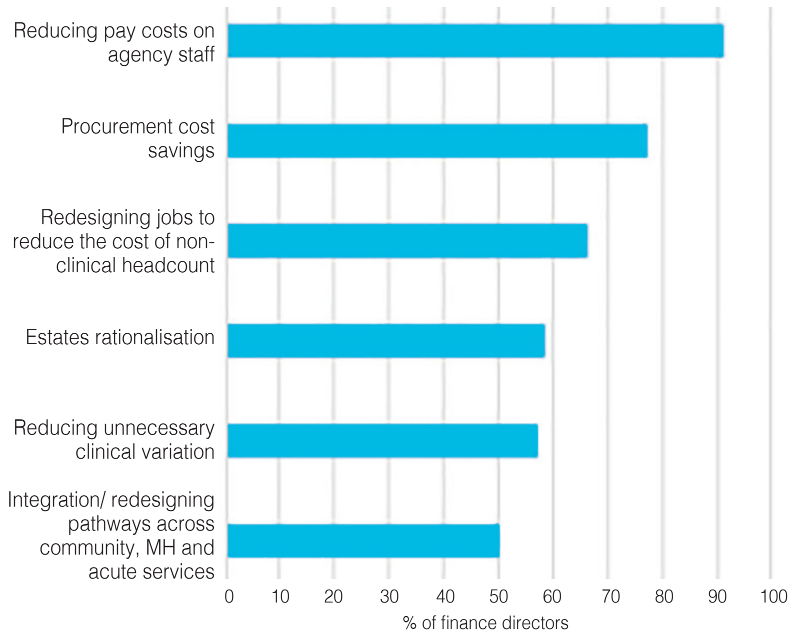


Chart 7: Main mechanisms trusts plan to use to meet challenges ahead



Sustainability and transformation plans (STPs)

NHS England introduced STPs in its December 2015 planning guidance.[8] Each health and care system in England is required to 'produce a multi-year STP, showing how local services will evolve and become sustainable over the next five years'. There are 44 STP 'footprints' across England. STPs are seen as vital tools

7 https://www.england.nhs.uk/wp-content/uploads/2016/09/NHS-operational-planning-guidance-201617-201819.pdf
8 https://www.england.nhs.uk/ourwork/futurenhs/deliver-forward-view/

It is encouraging that, in a challenging financial context, 46% of finance directors believe relations between NHS providers and commissioners have improved

for integrating different strands of NHS care provision, and for integrating health and social care. Following extensive preparatory work during the summer and autumn of 2016, they have now been submitted to NHS England and are in the process of being published.

Our survey found broad acceptance among NHS finance directors of the validity and usefulness of the STP process. Respondents consider STPs a 'good idea' and a 'valuable platform for discussing difficult issues'.

It is encouraging that, in a challenging financial context, 46% of finance directors believe relations between NHS providers and commissioners have improved, while another 45% view relations as unchanged. STPs are acknowledged as valuable and important.

It is also positive that 58% of finance directors see STPs as already having clear and effective leadership. Worryingly, however, only 20% of finance directors think that relationships between commissioners and providers within their STP are strong enough to deliver the cross-organisational changes that are required.

The concerns around governance, highlighted in our July 2016 *NHS financial temperature check*[9], are still largely unresolved. Some 72% of NHS finance directors remain concerned about STP governance, citing a lack of clear accountability and a potential conflict with board effectiveness. A lack of clarity surrounds the authority of the STP, how it relates to the statutory duties of NHS boards, or to the NHS financial control totals introduced during 2016.

Perhaps because of this ambiguity, 62% of finance directors say they would continue to prioritise their own organisation's objectives above those of the STP. Only 17% would prioritise delivering STP objectives, while the rest don't know what they would do.

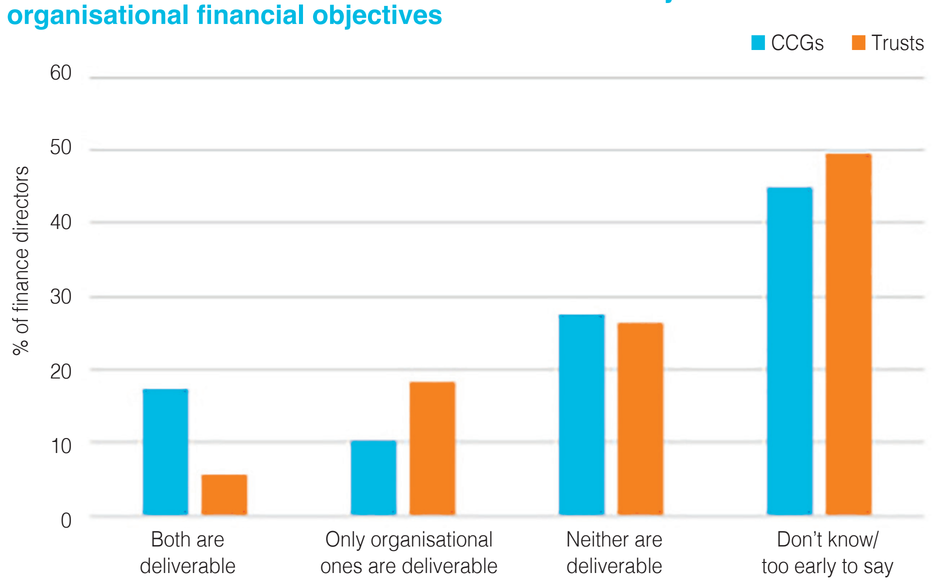
Respondents emphasise that STPs are taking shape in a financial and care delivery context that is already very demanding. While recognising that it is still very early days in the evolution of STPs, over a quarter of finance directors have concerns about whether the financial objectives contained in their STPs are achievable, as shown in **Chart 8**.

Only 6% of trust finance directors and 17% of CCG CFOs are confident that both organisational and STP financial objectives are deliverable.

Finance directors have similar views about the achievability of service delivery objectives, as shown in **Chart 9** (overleaf). Only 12% of trust finance directors and 25% of CCG CFOs are confident organisational and STP service objectives are deliverable.

When considering the achievability of service delivery and financial objectives, finance directors cited concerns about the pace of change required and the high-risk nature of the plans. They questioned whether there was the local political appetite for supporting change.

Chart 8: Finance directors' views on the achievability of STP and organisational financial objectives



9 https://www.hfma.org.uk/publications/details/nhs-financial-temperature-check---july-2016

Chart 9: Finance directors' views on the achievability of STP and organisational service delivery objectives

We also asked respondents to identify the main risks to the overall financial sustainability of their STP footprint. The key risks were:

- Increase in emergency care activity (69%)
- Impact of social care financial constraints (53%)
- Increased demand for service (50%)
- Slippage in cost savings programmes (42%)
- Delayed discharges (37%).

Asked how their organisations were meeting the financial challenges in the STP footprint area, directors cited pathway redesign, investment in community services and reducing unnecessary clinical variation.
We asked finance directors whether their finance and service delivery risks would be greater if STPs did not exist. While 18% did not know, 40% thought the risks would be greater without STPs and 42% thought that the risks would be less.

Only 54% believe that the risks associated with STPs have been fully recognised, while 5% view current risk management arrangements as adequate, as shown in **Chart 10**.
The STP process is still in its infancy and it is perhaps understandable that some finance directors characterise risk management as 'work in progress', while others suggest it is still 'too early to say'. However, there is a keen awareness of the scale of expectations surrounding STPs.

With the strategic pendulum swinging away from individual bodies and towards STPs, our survey found 82% of NHS finance directors think a change in the regulatory regime is needed to support delivery of STPs. And 79% think changes in the financial regime are required. Respondents allude to a perceived overlap between NHS England and NHS Improvement. Many question the continuing value of tariff funding within the NHS.

Respondents suggest a number of other possible measures to support

Chart 10: Sustainability and transformation plan risks

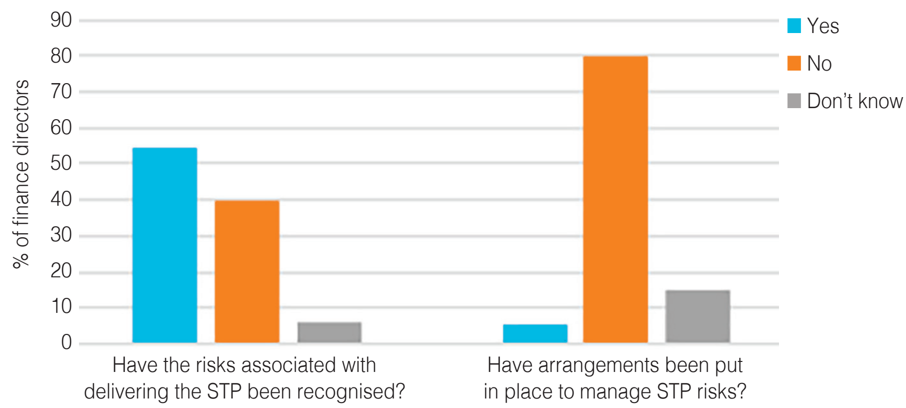
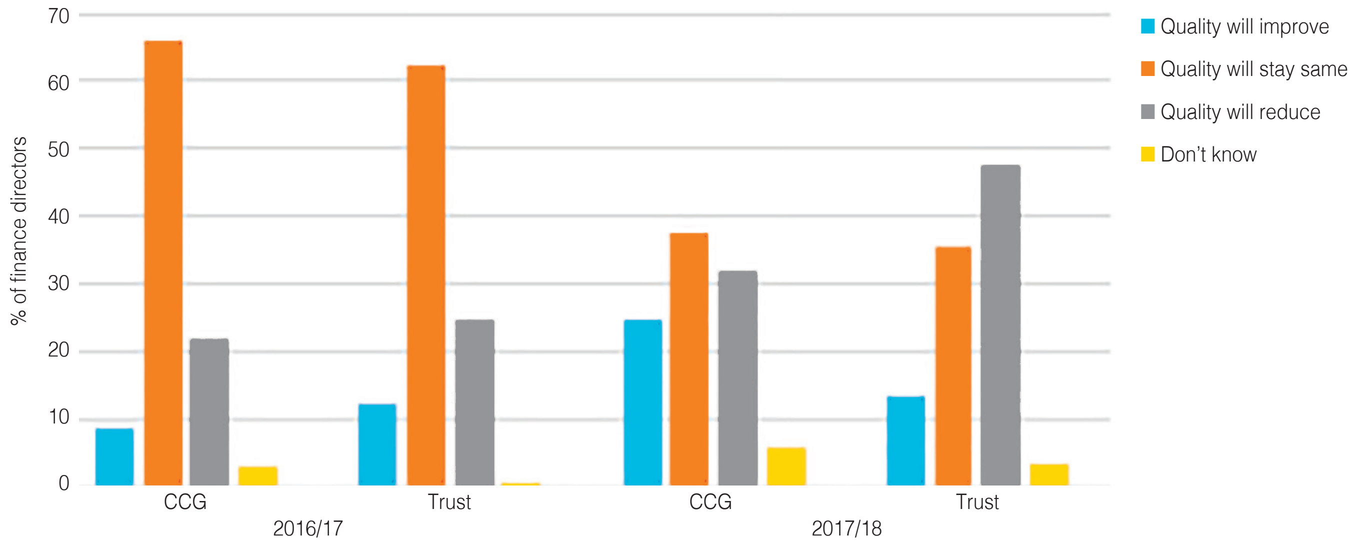


Chart 11: Anticipated change in the quality of patient services



integration, including committees in common and a separate funding stream for base STP support.

Finance directors feel broader public awareness of, and involvement in, the challenges facing the health and care sector would be helpful, especially where changes in the pattern of provision are being mooted. There is a particular concern about local authority ownership of plans still in their formative stage yet already subject to public speculation.

Quality

During the spring and summer of 2016, NHS Improvement announced a package of measures aimed at stabilising NHS financial performance during 2016/17, including the introduction of financial control totals. An important aspect of this package is a matching improvement in operational performance to the receipt of sustainability and transformation funding. Finance directors in our survey emphasised the close links between resources and the quality of patient care.

We asked NHS finance directors for their views on the quality of patient care. For the purposes of our survey we defined quality as services that are patient-centred, safe, effective, efficient, equitable and timely.

Among respondents, 22% of CCG CFOs and 25% of trust finance directors think the quality of care is deteriorating during 2016/17. This is a marginally more pessimistic outlook than we reported in our last *NHS financial temperature check* in July. Most respondents continue to think quality will stay broadly the same.

On the outlook for 2017/18, finance directors are more pessimistic – 32% of CCG CFOs and 47% of trust finance directors now believe quality will reduce next year. Meanwhile, 25% of CCG CFOs think quality will improve in 2017/18, compared with 14% of trust finance directors. Responses for each sector for 2016/17 and 2017/18 are shown in **Chart 11**.

We once again asked finance directors which aspects of service quality are most vulnerable because of the current financial challenges. Respondents from both sectors view waiting times, access to services and the range of services on offer as most vulnerable.

Rationing is now cited as a material issue as commissioners focus on interventions with limited clinical value. Few finance directors think patient outcomes or patient safety are at risk.

What is the financial outlook?

There is a pressing need for realism on NHS resources and what is affordable. This is a consistent message from finance directors. Organisations continue to struggle to meet savings targets. In many cases the long-term solutions require a combination of capital investment and estate rationalisation, but capital finance remains scarce and there is a perception of a lack of will to address difficult questions on configuration – especially in sensitive areas such as accident and emergency.

There is evidence the efficiency level being sought from NHS providers, 2% to 4% per year, is not being achieved.

Among commissioning organisations there is a view that NHS England's understandable reluctance to release the mandatory 1% reserve held by CCGs may mean it cannot usefully be committed in time to be put to good use in 2016/17.

Greater clarity on the management of this reserve would be helpful for all. Allowing 50% of this reserve to be committed in advance to help STP delivery in 2017/18 has been a welcome first step.

It is encouraging to note the broad support that exists for STPs, and the way many organisations have applied themselves to meeting the transformation challenge.

There is still a lack of clarity surrounding the governance of STPs and the thread of accountability within them. Without clearer governance, finance directors will continue to prioritise the financial position of their own organisation. This is understandable, as their statutory accountability is clear, but it is likely to undermine the ability of STPs to generate genuine transformation.

Finance directors see the STP process as a valuable platform for strategic discussion. They see the positives to be gained from broader public ownership of the issues. There is also a risk of local authority partnership being compromised if proposed changes are not subject to local democratic accountability.

If integration within STP geographical 'footprints' is the route to sustainable care, financial and regulatory structures need to change to match this new reality. There is growing questioning by finance directors of the future of tariff funding: block contracts would be clearer and cheaper to administer and are more consistent with the control total approach.

Some finance directors are also asking whether it is time for NHS England and NHS Improvement to be combined, to aid consistency in regulatory approaches.

Asked what other national changes would support the achievement of financial and performance challenges, finance directors cited:

- Allowing contributions to care costs by individuals
- Flexibility within payment mechanisms to incentivise change
- Co-ordinated investment in community and primary care
- Abolition of the commissioner-provider split
- Relaxation of the procurement regime
- A workforce strategy and better manpower planning
- Parity of esteem for mental health services
- A moratorium on the tendering of services
- Repurposing the better care fund to address delayed transfers of care.

Many finance directors are concerned at a perceived limited appreciation of the scale of financial risk inherent within STPs and a lack of consistent risk management. They also report a patchy approach across England.

It is now important to establish risk management approaches on a thorough and consistent basis and to accept that, while STPs are potentially a vehicle for true transformation, their blurring of accountability carries material risk.

Finance directors see the STP process as a valuable platform for strategic discussion

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Conclusion

Based on the forecasts of NHS finance directors and actual performance in the first half of 2016/17, it is evident providers are still under financial pressure, even with the injection of sustainability and transformation fund monies.

NHS finance directors do not think the interventions by NHS Improvement, with the introduction of control totals, will restore the provider sector to financial balance during 2016/17.

A common view is that such measures do not address the real underlying issues of funding levels that continue to reduce as a proportion of GDP and a continuing squeeze on social care funding.

A pattern of underachievement of planned recurrent savings is becoming visible among trusts. Although such slippage is commonly being offset by non-recurrent saving measures, it highlights the difficulty trusts continue to face when seeking to transform care services. Many finance directors are pessimistic about 2017/18.

There is also a widely held view that care quality is deteriorating, and is likely to worsen further in 2017/18, with access growing more limited and waiting times likely to lengthen.

Among CCGs, the financial position is being strained by additional trust activity, and also because of a requirement to divert significant 2016/17 funds to non-recurrent investment. This funding is intended to support system transformation in the medium term, but uncertainty surrounding it makes achieving a current year balance less likely. CCGs are also now forecasting a significant overspend.

There is general support for the introduction of STPs, which are viewed as a valuable lever for gaining acceptance of change proposals. This support is tempered by caution about the scale of savings being sought and the lack of capital to facilitate change.

There are also widespread concerns about the governance arrangements for STPs and, crucially, about how they relate to the statutory duties of trust and CCG boards. In the absence of clarity, finance directors will continue to prioritise the performance of their individual organisations.

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For more than 60 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 a 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.

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