



HFMA briefing
February 2019



Case studies from the finance team of the year award 2018



Introduction

The HFMA's National Healthcare Finance Awards attract entries from across the NHS, showcasing good practice and demonstrating ways of working that have proved particularly effective. The Finance Team of the Year award seeks excellence across a number of areas and attracts high quality submissions. This briefing looks at the shortlisted entries of the 2018 Finance Team of the Year award and examines the five key areas where the teams have demonstrated good practice and exemplified the HFMA's president's 2018 theme, 'Brighter Together'.

Brighter Together

The five shortlisted entries for the 2018 Finance Team of the Year award focused on five separate areas of the work of the finance team. However, a common thread running throughout each entry was the way in which the teams had embraced the HFMA's president's 2018 theme of Brighter Together and interpreted it in ways which enabled their organisations to thrive as a result.

The Brighter Together theme highlighted that often professions, teams and organisations can seem to be pitted against one another, rather than working together to achieve a common goal. Throughout 2018, the HFMA worked to support its members to look beyond their immediate colleagues and collaborate with those in both their wider organisation and their local health and care economy; while learning from others both nationally and internationally.

The shortlisted entries have shown how this approach can enable significant improvement and change that leads to better outcomes for the organisation and the population that it supports. The finance teams have not only demonstrated collaborative working across their organisation, including clinicians, other support functions and the executive team; but also, broader collaborations with other local bodies across health, social care and the wider economy that serves the same population. Sharing these approaches nationally through involvement in various groups, presenting at events and contributing to publications such as this, enables the Brighter Together theme to be perpetuated, allowing the approach to continue to thrive and support both the HFMA's members and the wider health and care economy as we enter 2019.

Delivering a sustainable financial position – Leeds Teaching Hospitals NHS Trust

Finance team of the year award winners, Leeds Teaching Hospitals NHS Trust, delivered the largest surplus in its 20-year history in 2017/18, and its first surplus for four years through implementing a number of measures in different areas of the finance team's work. 'Finance the Leeds Way' was used to coordinate these activities, demonstrating that the achievement of a strong financial position is not down to one team or department, but is a combination of the efforts of many, particularly when it comes to the identification, and elimination, of waste.

Working with other areas of the organisation was crucial to the success of the finance plan but it was first necessary to build trust in the finance process. A lack of belief in the financial plans meant that nobody felt accountable for performance. Implementing a new financial framework that took account of real data in each area, enabled clinicians to recognise and support the plans, due to having a believable target.

The financial framework also promoted greater accountability across the trust and hence improved financial governance. Regular forecasts from the accountable clinicians enabled the finance team to understand whether they were on track to meet target and, if not, allowed mitigating actions to be taken in advance of anticipated problems.

The establishment of working day one reporting enabled budget holders to make decisions with the most up to date information possible. This supported the accuracy of the forecasts by the clinical service units. The forecasts were combined with the application of patient level costing across the organisation to identify areas for improvement, utilising peer benchmarking across a range of metrics.

The internal measures described above have enabled Leeds Teaching Hospitals NHS Trust to not only achieve a surplus but to do it in such a way that it is sustainable for the organisation. The success of these measures has been underpinned by a programme of finance skills development for non-finance staff across the business, tailoring it to suit the needs of the individual and hence improving engagement.

Collaboration was also demonstrated with external bodies. Working with their commissioners, the trust was able to change how they were paid for clinical activity, becoming the first major teaching hospital in the country to adopt an aligned incentive contract. This contract supports the wider health and care system to put the needs of the patient first.

Leeds Teaching Hospitals NHS Trust have demonstrated that the quest for financial sustainability is not about getting one thing right. It is the culmination of many actions, some which may seem insignificant, that engender a culture of trust and accountability across the organisation, enabling the achievement of a seemingly unreachable target.

Making a difference for patients and the economy – Wrightington, Wigan and Leigh NHS Trust

The Wrightington, Wigan and Leigh NHS Trust finance team recognised that their actions did not just affect the experience of patients within their trust but could also have a wider socio-economic impact. The department identified issues within the Wigan locality which could be addressed through collaborative solutions and the team were proactive in initiating these, working with Wigan CCG and Wigan Council.

Many NHS initiatives have focused on treating people closer to home, to improve the patient experience and ensure access to their support network. The finance team identified that there were still a number of patients being treated out of area. To address this, the team negotiated a new contract to enable more patients to be treated by the trust, thus providing more care closer to home. While this approach delivers obvious benefits for the person through reduced travel, consistency of care and access to personal networks; the wider economy also gains as income stays within the local area, thus benefiting local businesses.

All finance departments work towards efficiency targets but, as time goes on, finding these efficiencies proves more challenging. A number of schemes were developed through working with other bodies in the locality. For example, work with GPs to improve access through extended hours and to stream patients from A&E has meant that A&E performance has improved, plus people have been treated in more appropriate settings.

Working with others in the locality was also key to the success of a programme of estates transformation. The finance team identified that there was potential to use trust estates more efficiently through their analysis of Model Hospital data. Working with Wigan Council, the team was instrumental in agreeing a fund to transform facilities, through the development of existing estate and the sale of other parts. This has enabled the development of specialist dementia beds in the locality, improving facilities for local residents and supporting a part of the population who are high users of both health and social care services.

The finance team also identified an opportunity for further work with the council to resolve car parking issues that both parties faced. Through a collaborative agreement, the council was able to utilise the trust's town centre car park, while the trust invested in onsite parking. Onsite parking has reduced unnecessary stress associated with a hospital visit, while the town centre parking has supported the council's redevelopment of Wigan, improving facilities for the local population.

Wrightington, Wigan and Leigh NHS Trust finance team have demonstrated that changes to the delivery of health services can have a much broader impact than just improving individual patient care. In an environment where the focus on population health and the value of prevention is becoming ever more important, understanding the wider impact of changes will become crucial for NHS finance teams.

Harnessing technology – Chelsea and Westminster Hospital NHS Foundation Trust

The finance team at Chelsea and Westminster Hospital NHS Foundation Trust has embraced the opportunities that technology can offer, across four key areas – improving business as usual, management information and reporting, customer and supplier services, and risk management.

The income team have worked with their system software suppliers and data warehouse team to automate the SLAM (service level agreement monitoring) and income process. The process runs overnight, extracting relevant data, and automatically refreshes the reports every morning. This enables clinical divisions to have real time information on their income position. The reporting of this income has been jointly developed with the operational and clinical teams to ensure that it is delivered in an understandable way and provides the information required to run clinical services.

Budget holder reporting has also been improved through replacing a manual process with automated reports. This has standardised the information supplied across the organisation and allows budget holders, and their managers, to review detailed transactions, payroll information and invoice images. Having access to this information has generated a much greater ownership of departmental budgets, improving financial accountability.

The automation of transactional processes has also extended to expense claims, change of circumstances and termination forms through the implementation of the ePay system. The system allows managers to electronically submit these forms, thus improving governance and reducing the level of overpayments.

The finance innovation programme is also looking at areas where artificial intelligence and robotics could not only help to automate processes but also improve the reporting and quality of data. This work is in its early stages but has already attracted interest from over 20 suppliers who are keen to work with the trust to develop innovative ways of tackling the issues faced.

Developing the innovation mindset in the finance department allows the team to support other areas of the organisation who are looking to do something new. An example of this is the Sexual Health London service, which offers online screening. While the service itself offers an innovative approach

to screening, implementing it also required a bespoke approach to the costing, modelling and pricing of the service which was essential to its success.

The *NHS long term plan*¹ has significant aspirations for how digitally enabled care, and the corresponding technological support for staff, will change how the NHS delivers care. Finance teams will play a fundamental role in both supporting and modelling this ambition over the next decade.

Merging organisations – University Hospitals of Derby and Burton NHS Foundation Trust

Derby Teaching Hospitals Foundation Trust and Burton Hospitals NHS Foundation Trust merged on 1 July 2018 after 2 years' preparation work. Financial governance and assurance were the backbone of the process, with much of the required documentation being developed by the finance teams themselves. After the merger, finance teams and systems had to be integrated while still meeting the day to day demands on a finance department.

The finance teams jointly produced the finance chapters of the strategic outline case, the outline business case and the full business case. As contracts and control totals changed, the full business case required rewrites. In addition, three long term financial plans were produced – one for each trust and one for the merger.

Finance staff also supported the work required to understand how synergies from the merger could benefit clinical specialties. Through practical support in preparing for workshops, attending sessions and answering supplementary questions, the finance team were able to assist many areas of the business.

Financial due diligence for the merger was also carried out by the two finance teams. As a consequence of this work, good relationships were developed between the teams and both had a detailed understanding of current performance and future plans across the organisations. Financial information and reporting were required from day one of the merged organisation. The close working throughout the process of the two finance teams meant that they integrated sooner than any other department in the trust.

A new chart of accounts was developed, taking the best from both legacy systems. Both teams had to deal with the complexities of using different ledger systems during 2018/19. With the merger formally taking place on 1 July 2018, both organisations not only had to complete 2017/18 annual accounts for their individual trusts, but also had to complete 2018/19 quarter one processes (effectively a second set of accounts) for the former Burton Hospitals NHS FT. This process was further complicated by the introduction of a new ledger system in Derby from 1 April 2018, which developed to include Burton from July.

As a merged body, University Hospitals of Derby and Burton NHS Foundation Trust is now using one ledger on one cloud-based system that operates across two finance teams based ten miles apart. Work continues to ensure that legacy systems are correctly feeding into the new ledger, but the continued operation of some legacy systems is allowing the CCGs time to process the contractual effects of the merger in their own processes.

The finance teams in both organisations were crucial to the success of the merger, working across specialties in both trusts to ensure that the complexities were fully understood. At the same time, the day to day tasks continued to be delivered and a new working model in finance was developed.

¹ NHS England and NHS Improvement, *The NHS long term plan*, January 2019

Dealing with a crisis – Warrington and Halton Hospitals NHS Foundation Trust

On Friday 23 March 2018 Warrington and Halton Hospitals NHS Foundation Trust suffered a significant fire in one of its wings, in the roof space directly above the finance department. Due to the extent of the damage the finance team were unable to access files or equipment during the final week of financial year-end or during the annual accounts process. The fire also impacted some clinical services, so a considerable number of staff and functions had to be relocated across the trust.

The fire meant that, in addition to the normal year end process, the team were also required to account for a major incident, liaise with the insurance broker and deal with two sets of insurers – NHS Resolution and a commercial company. The dispersal of staff and services other than finance also meant that the finance team were called upon to support patients in locating the clinics which had had to move.

The financial services team were split across the trust, working in five different areas. The fragmentation that this could have caused in working practices was mitigated through daily huddles that allowed the whole team to come together to discuss year end and other issues to be addressed. These proved so successful in building morale and improving working practices that this model will be applied for future year-ends. The success of the year-end was also supported through the development of a robust plan and task schedule prior to the fire, so all members of the team were clear on what they were expected to deliver. The annual accounts were submitted on time, with working papers of a high standard.

The finance team at Warrington and Halton Hospitals NHS Foundation Trust have a track record of supporting other services in areas beyond finance. During the busiest winter months, staff give extra hours to help on wards to give out meals and cups of tea, enabling nurses to focus on care. The team have also supported initiatives to solve issues that impact the running of the trust, such as organising volunteers' rotas. This support, exemplifying the Brighter Together ethos, meant that, when the finance team need help with desk space, equipment and other day to day work support after the fire, departments elsewhere in the organisation were keen to help.

Conclusion

All the short-listed entries for the 2018 Finance Team of the Year award demonstrated strong financial governance, however each entry also gave a glimpse into what makes that finance team unique. This briefing focuses on that uniqueness, showing that the finance profession contributes much more to the NHS and wider health and care economy than just reporting results at the end of the month. The Brighter Together theme ran through the work of all the finance teams included in this briefing, showing the diversity of collaboration going on across the country and the impact that that can have on both the success of the individual organisation and the broader economy.

Once again, the entries for this award have shown the breadth of the work carried out by finance teams in the NHS and the high standard to which it is done. As the NHS assesses the requirements upon it as a consequence of the publication of the NHS long term plan, the finance profession is in an excellent position to both support, and drive, the changing face of healthcare.

Further information

The organisations featured in this briefing are happy to be contacted for further information about their work. Contact details are included below:

Leeds Teaching Hospitals NHS Trust: *benjamin.roberts5@nhs.net*

Wrightington, Wigan and Leigh NHS Trust: *andrew.budory@wwl.nhs.uk*

Chelsea and Westminster Hospital NHS Foundation Trust: *virginia.massaro@chelwest.nhs.uk*

University Hospitals of Derby and Burton NHS Foundation Trust: *scott.jarvis@nhs.net*

Warrington and Halton Hospitals NHS Foundation Trust: *sally.proffitt@nhs.net*