HFMA briefing
November 2018

How do you support effective system decision-making?

Contents

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Introduction

This second briefing in our mini-series on system finance and governance issues – the titles of which are set around a priority question for system leaders – builds upon the initial briefing, *How do you align resource plans across a system?*[1] by exploring how to support effective system decision-making.

As health and care systems work more closely together, often needing to agree decisions across a number of organisations, a clear understanding of how, what, where and when decisions are made is vital to deliver improvements for patients within the system.

Recognising that the appropriate approach to system decision-making will be different for each health and care system, the aim of this research is to provide support to HFMA members at different stages in developing their governance arrangements by considering the key challenges, sharing experiences and drawing out top tips. It is based on a review of national guidance, interviews with NHS finance leads and examples presented at HFMA events. The briefing is intended to be particularly helpful for health and care system leaders, finance officers, non-executive directors and lay members.

Background

The HFMA's *Sustainability and transformation plan (STP) governance* survey[2] explored the views of system finance leads on 10 key governance elements of their system arrangements (**Chart 1** overleaf). The findings highlight a mixed picture of developing arrangements. Although a number of comments reflect improving collaboration and positive relationships, some concerns remain – a lack of clarity around the vision; the need for greater transparency in decision-making processes; the absence of agreed STP-wide resources; and a lack of accountability to, and from, individual organisations.

When asked to rank their governance concerns, 48% of respondents included decision-making arrangements in their top three. We asked whether appropriate decision-making arrangements are in place. Some 25% of respondents answered yes, 60% no and 15% did not know. Comments highlighted that there is a lack of clarity, transparency and testing of the arrangements in place for decision-making.

They indicate that as yet there is little evidence to suggest that difficult decisions are being made, so arrangements remain untested. Respondents highlighted that, in the absence of a single decision-making body, decisions are made by trying to achieve consensus and this can lead to a lack of action or at best it being significantly delayed.

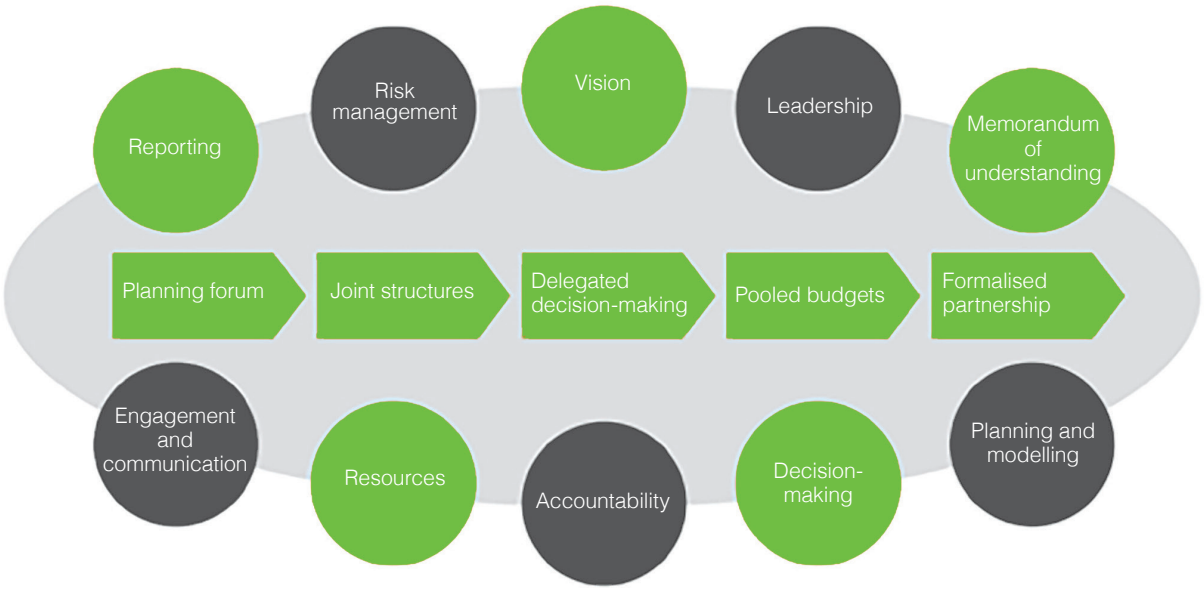
With the expected publication of the 10-year plan this winter – underpinned by £20bn in additional funding to 2023/24 (a 3.4% annual increase) – there is some uncertainty about the future financial framework. However, there is a clear direction of travel towards collaborative working across health and care systems. The updated NHS planning guidance for 2018/19[3] reinforces this, setting a clear expectation that STPs will have an increasingly prominent role in planning and managing system-wide efforts to improve services. Although slow, governance arrangements are developing to help systems work more closely together.

[1] HFMA, *How do you align resource plans across a system?*, October 2018

[2] HFMA, *Sustainability and transformation partnership governance survey*, March 2018

[3] NHS England and NHS Improvement, *Refreshing NHS plans for 2018/19*, February 2018

Chart 1: Governance elements



Source: *Emerging approaches: developing STP governance arrangements*[4]

The government's response to the Health and Social Care Committee's report on integrated care[5] notes the importance of decisions being made at the most appropriate level in a transparent way. Although recognising that it is for local areas to determine which decisions should be made at which level, NHS England and NHS Improvement have been working with first-wave Integrated Care Systems (ICSs) to identify and share examples of decision-making levels to support all systems. 'For example, the development of primary care networks is best considered at the level of "neighbourhoods" at around 30,000-50,000 population, development of integrated community-based services at the "place" level (up to around 500,000 population) and development of acute services at the "system" level, typically covering a population of a million or more.'[5]

Effective decision-making arrangements are essential to the

Chart 2: Decision-making process

Identify decision → **Gather and analyse information** → **Develop options** → **Evaluate options** → **Select preferred option** → **Act on decision** → **Review decision**

Chart 3: STP governance checklist: decision-making	
Decision-making	**Yes/No**
Has the STP agreed who has decision-making powers?	
Has the STP agreed how stakeholders are represented in the decision-making process?	
Are there arrangements in place for STP leaders to involve partner organisations throughout the STP decision-making process?	
For each type of decision, has it been agreed who will be involved, how many people need to agree and if it is in accordance with individual delegations?	
Where appropriate, have delegated powers been sought and agreed?	
Are arrangements in place to ensure decisions are evidence based?	
Are systems or processes available to help clarify the different levels at which decisions will be made in the STP?	
Given STPs have no legal accountability, are arrangements in place to determine how collective decisions will be reached?	
Are procedures in place to identify and manage potential conflicts of interest?	

Source: *Emerging approaches: developing STP governance arrangements*[4]

[4] HFMA, *Emerging approaches: developing sustainability and transformation plan governance arrangements*, March 2017

[5] Department of Health and Social Care, *Governments response to the Health and Social Care Committee's report on integrated care,* September 2018

success of all organisations. There is a wealth of guidance and good practice models available, commonly breaking down the decision-making process into key steps such as those set out in **Chart 2**.

Ensuring effective decision-making can be difficult within individual organisations. There are additional challenges when multiple organisations are involved in making decisions, which means that clear and agreed governance arrangements are required, as well as strong relationships and good behaviours. *Emerging approaches: developing STP governance arrangements*[4] looks at the key questions that should be asked when setting up effective governance arrangements and they cover the 10 themes set out in **Chart 1**. Building on a shared vision of delivery, **Chart 3** sets out the key questions specific to decision-making.

Accounting for joint working arrangements[6] also includes some helpful questions for setting up new arrangements concerning the decision-making process and who has the authority to make decisions.

Challenges

As new system governance arrangements are being developed, it is important to fully understand the decision-making arrangements and the implications of decisions taken. This is challenging, with a number of different decisions needed, a number of people involved and a number of different decision-making models being developed. It can be difficult to step back and focus on what the system is aiming to achieve in the first place – improved and sustainable health and social care for the population. The key challenges for systems in making effective decisions are explored below.

Shared understanding

The health and care system consists of a number of different organisations including providers, commissioners, local authorities and the third sector. Each of these have their own strategy, language and arrangements. Decisions made will need to be based on shared information and a clear understanding of both the shared vision and the impact of decisions across a number of areas. The CQC's local systems interim report commented: 'Without good relationships and a shared, agreed vision between system partners, achieving positive outcomes for people who use services, their families and carers is significantly compromised. Relationships between system partners play a major role in the coordination and delivery of joined up health and social care services that meet the needs of the local population.'[7]

Accountability

Within the current architecture, individual organisations remain accountable and system working is based on voluntary partnership working. With short-term pressures and organisational regulation, it is a challenge to ensure decisions are made in the best interest of the system when the decision may not be in the best interest of an individual organisation. In December 2017, the Care Quality Commission (CQC) published its interim report on local system reviews and commented: 'The focus on individual organisational outcomes is distracting from the needs of the wider system to work effectively for the people it serves'.[7] Managing conflicts of interest is therefore key. It is clear that effective working relationships based on trust are the critical factor, without which effective decision-making across a system will not work.

Legality

In moving from informed to delegated decision-making, the statutory requirements of individual organisations can act as a barrier. With differing set-ups for clinical commissioning groups (CCGs), NHS trusts and NHS foundation trusts, the powers that can be delegated to the system and by which organisation can be particularly complex, as explored by Hill Dickinson[8]. Ensuring that new governance arrangements are in line with legal requirements can be a time-consuming and costly exercise. For those that have established joint committees, even getting to this point has been a significant challenge.

Engagement

The lack of engagement at the inception of STPs has led to some scepticism of the STP brand. Along with a lack of clarity over who decides what, there can be the perception that all decisions are made at a system level, with little engagement with individual organisations governing bodies, staff, patients or the public. In some cases, there is concern over the level of non-executive director or lay member scrutiny of system decisions. In reality, at the moment, most decisions are made by consensus rather than delegation. If decisions are to be made to make the transformational changes required, effective engagement and communication will be essential.

Time is required to ensure that a shared, simple and clear understanding of potential decisions is developed and easily

[6] HFMA, *Accounting for joint working arrangements,* June 2017

[7] CQC, *Local system reviews – interim report,* December 2017

[8] Hill Dickinson, *STPs and collective decision-making,* August 2017

linked to the common vision. An understanding of the different pressures each party faces is important too. For example, the politics, statutory requirements and extreme financial challenge of local authorities are hard to navigate. A clear record of the decision, how and why it was made, needs to be in place.

Time and capacity
A common feature of system decision-making to date has been its slow pace. It takes significant time and management capacity because of the number of people involved; the information to be gathered and shared; the aligning of meetings; the need to consistently refer back to organisations; managing conflicts of interest; and the need to develop relationships and build trust.

There is a clear tension between accountability and speed. Good governance is essential to ensure decisions are taken in an appropriate timeframe.

System stories

We asked HFMA members to share their approach to effective system decision-making and their stories are set out below. These are not exhaustive and are not intended to provide complete solutions. However, recognising that one size does not fit all, illustrations from others' journeys can provide helpful prompts when thinking about how best to develop appropriate governance arrangements.

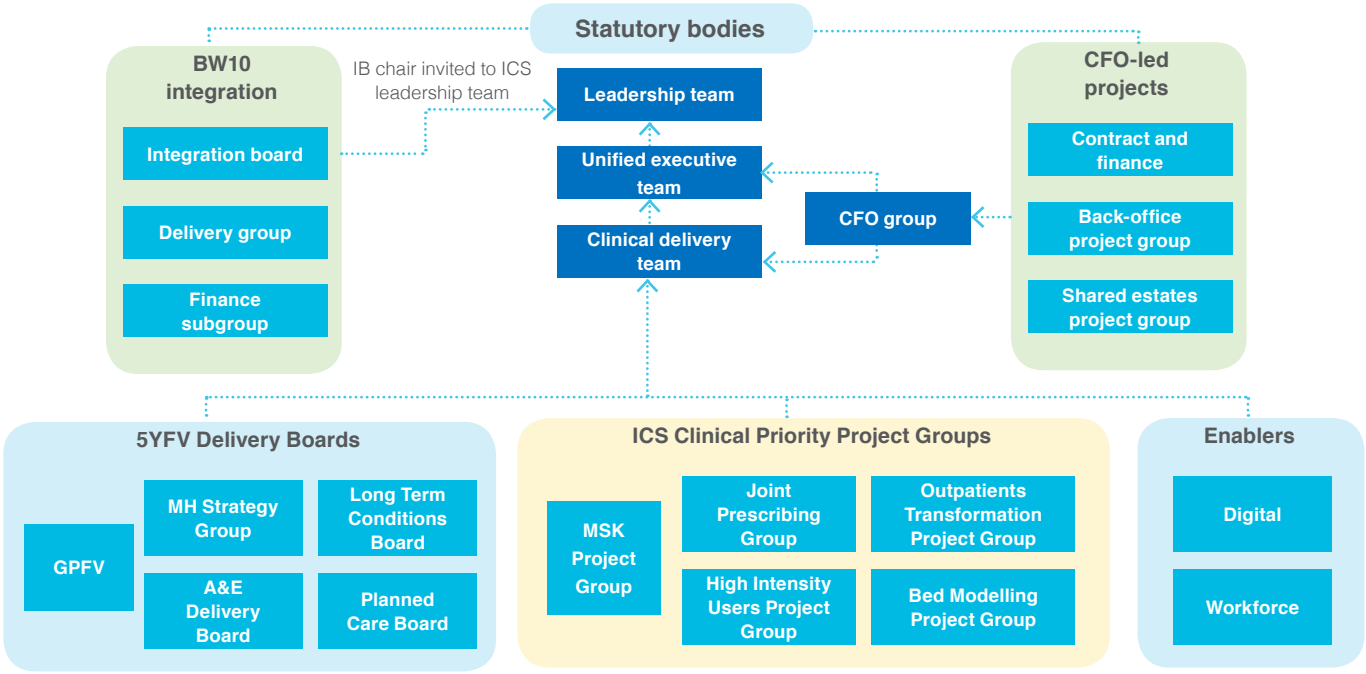
Models

Overall governance models are evolving, including common features such as executive boards that make recommendations to individual organisations or joint committees. These models are all being developed with the aim of ensuring governance is an enabler to improved health and social care. Some examples of those developing models to support system decision-making are shared below.

Berkshire West ICS

Organisations within Berkshire West ICS have traditionally worked well together and provide a good example of putting aside organisational interest. All parties have signed up to a shared memorandum of understanding[9] and are held to

Chart 4: Berkshire West ICS governance



NB: The configuration of these meetings will change following the review of CCG Programme Boards

[9] Managing collective financial resources futureNHS space, *Berkshire West ICS Finance Group ToR*, viewed November 2018

account by the ICS leadership team that has the experience and personalities to challenge as needed. The governance of the ICS sits beneath the three statutory organisations and has been developed over a number of months, with internal audit input throughout and extensive internal consultation (**Chart 4**).

The arrangements are designed so that decision-making remains within statutory and regulatory boundaries, but are not delayed as a result of an added layer of complexity in the system. This is achieved by establishing a link between the individual organisations and the ICS via a leadership group that includes chief officers and chairs from each organisation.

The structure is also underpinned by strong clinical leadership into a clinical delivery group and through clinical membership of the unified executive. This enables the work on new business models and new care models to be aligned. The ICS leadership team is chaired by an independent chair. Arrangements also require that discussion, decisions and disputes are clearly documented. The arrangements are expected to continue to evolve as they are tested against the delivery of new business models and new care models over the course of the year ahead.

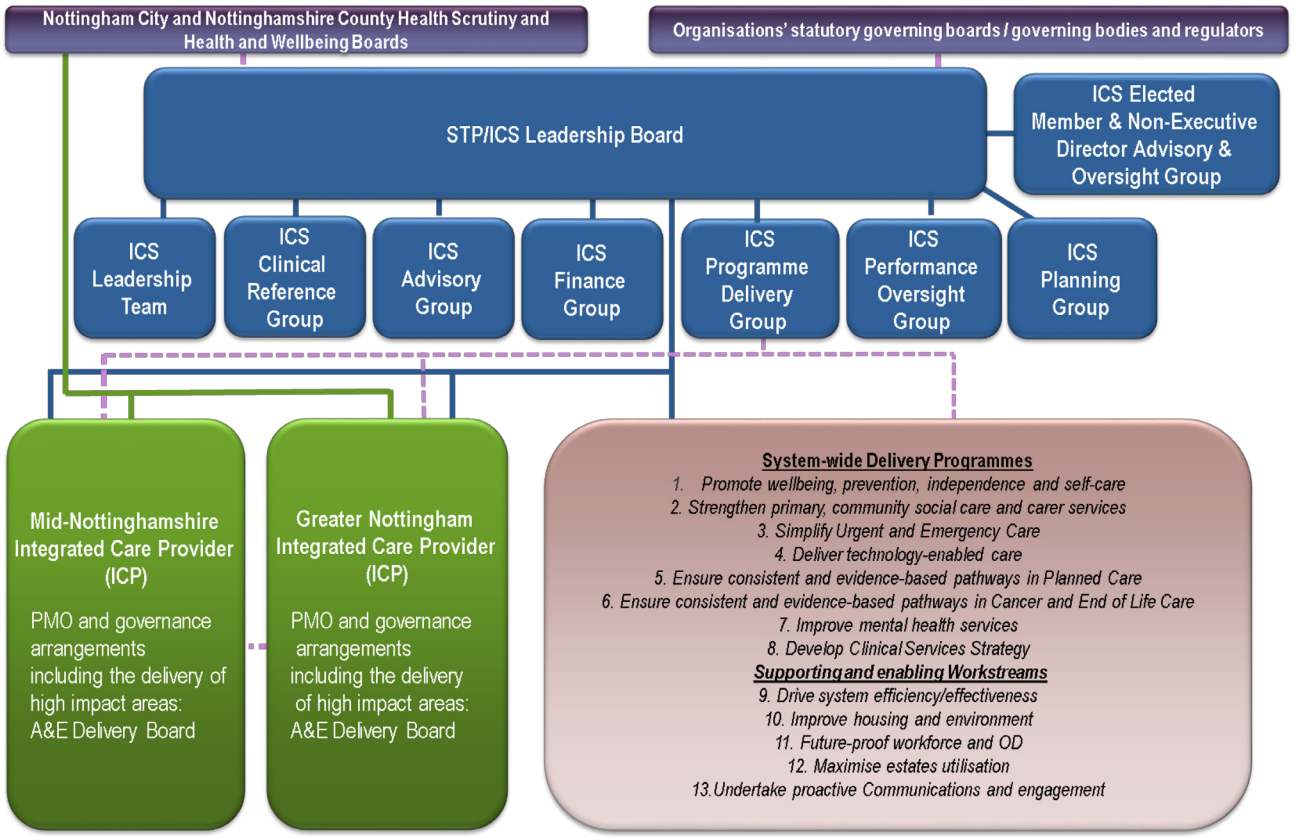
Having robust governance arrangements in place has enabled the ICS to go further faster with its plans for improvements in patient care. An example of a decision through the ICS governance structure is in relation to the adoption of a new payment mechanism for 2018/19. This involved decision-making by the unified executive leadership group and individual organisations with the original recommendations being generated by the chief finance officers' group. Various iterations of the proposal were discussed in parallel in individual organisational finance and investment committees. This enabled the building of consensus around the preferred option and ultimately a smooth and timely approval by individual organisations of a very technically complex proposal that potentially has significant implications for individual organisations and the system.

Nottinghamshire ICS

In Nottinghamshire, although the ICS leadership board cannot make decisions, it has a lot of authority and engagement, and provides a streamlined process for decision-making. Having the right people involved at the right levels is key to streamlining the process as much as possible. Their governance structure (**Chart 5**) includes clinical engagement groups, finance groups, a non-executive director group and a planning group with local authority representation. The governance structure and buy-in from all levels is helping to progress collaborative decision-making.

Nottinghamshire has also been looking at the value opportunity as a starting point for decisions. System level value-based decision-making is being used to help identify system level opportunities, such as through its current work on system

Chart 5: Nottinghamshire governance structure



efficiencies. Some plans will continue to be developed and delivered at individual organisation level and some at the whole Nottingham population level. Considering the scale of the opportunity at a system level in the first instance helps decide where plans should be developed and by who decisions need to be made.

A recent example was the system-wide redesign of musculoskeletal services in Mid Nottinghamshire. It was co-designed by a group of individuals from providers and commissioners and focused on how they would collectively work, which was then taken to the alliance board and to all individual organisations for them to sign up to. This did take time and highlighted the importance of wide engagement and a testing process to make sure issues were understood and resolved, allowing the decision-making process to be as smooth as possible.

The system is currently working on its accountability and governance framework to support and embed its arrangements. The aim is to think about what issues the system may face and agree and document the process to minimise the damage to relationships and time of senior people to resolve issues where things are not clear. The advantage of the framework is both to embed a set of values and behaviours across all parties and to have an agreed set of protocols to which everyone can refer.

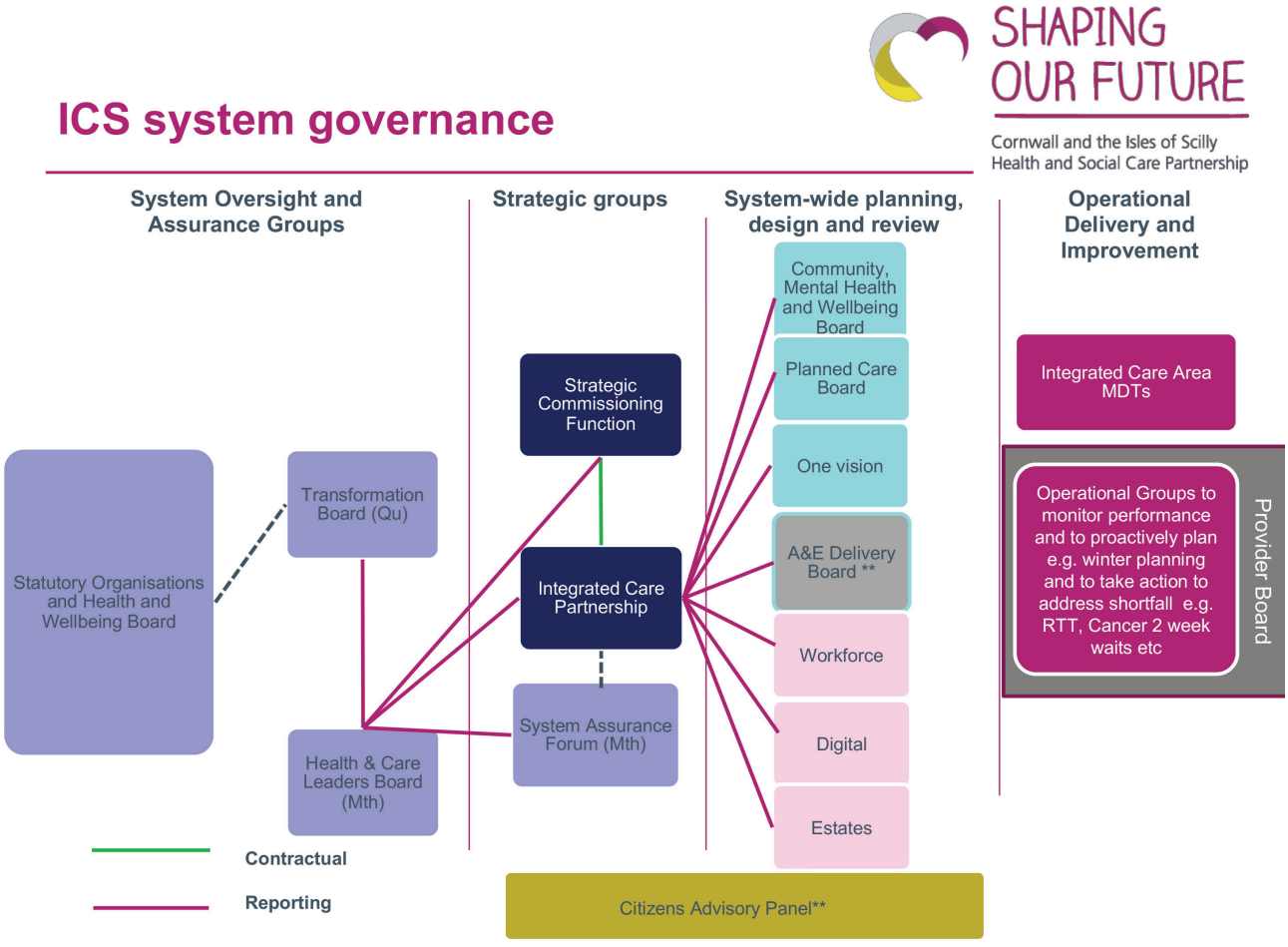
Cornwall STP

The model used in Cornwall (**Chart 6**) ensures organisations retain their individual decision-making powers – reflecting the fact that they are separate statutory bodies with their own governance arrangements – while supporting system working through a series of system-wide strategic groups. Recommendations for proposals, such as STP-wide business cases, would also require individual organisations' approval in order to progress them.

Overall system assurance is undertaken by the Transformation Board, which is made up of chairs and chief executives from each organisation, including the local authority. Key to the model is the clinical practitioner cabinet, which provides a wide-ranging clinical overview on system programmes of work.

The STP continues to review its governance model to ensure decision-making is as streamlined as possible, while working within the current NHS legal framework.

Chart 6: Cornwall governance



Lancashire and South Cumbria

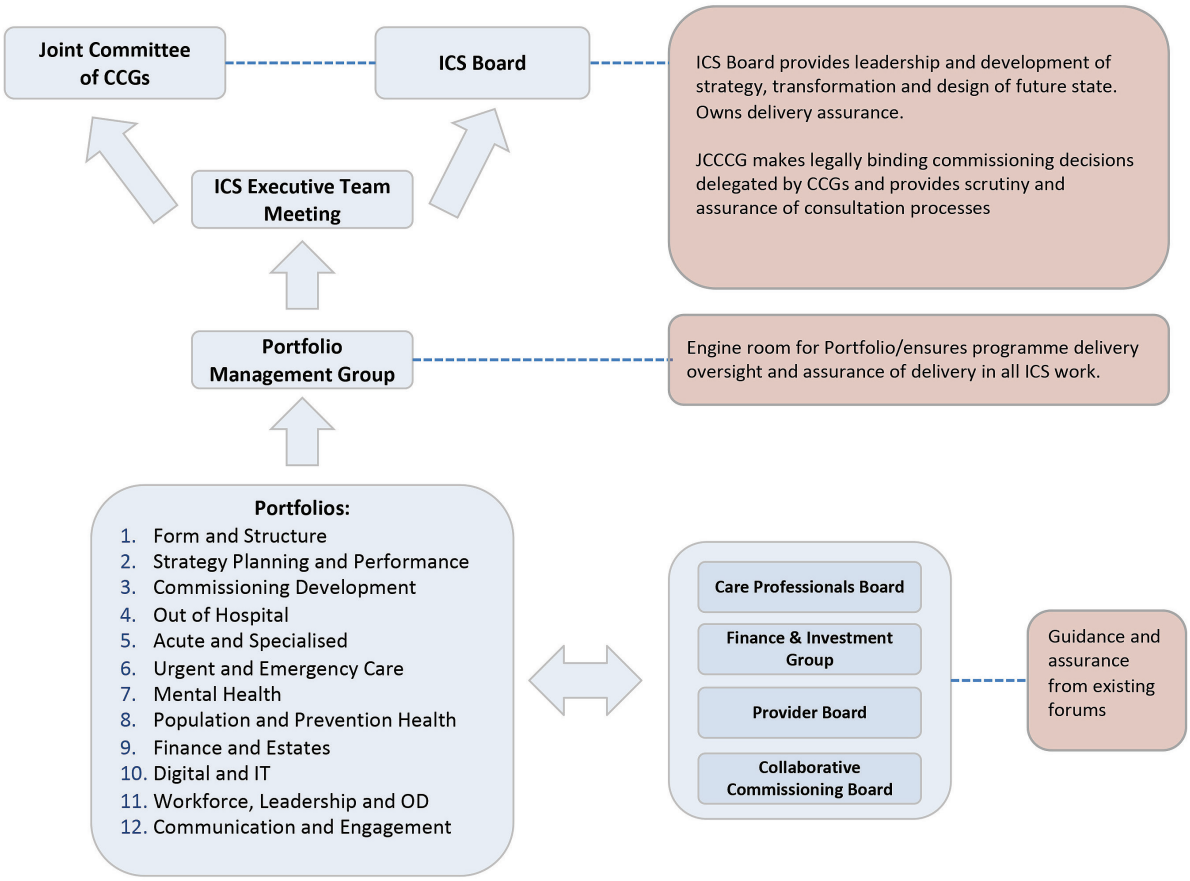
The system recognises that individual organisations cannot solve strategic problems alone and that strategic solutions require collaborative working across organisations. The ICS has developed a clear governance structure (**Chart 7**) and different levels of decisions are taken to different committees. The ICS board has been in place since November 2018 and although it does not have any formal decision-making powers, its composition of senior officers makes it influential within the Lancashire and South Cumbria system. A joint committee of CCGs has been in place for about two years, with lay member and accountable officer membership from each of the eight CCGs. Decisions that need to be taken collectively are delegated to the joint committee. So far, these have focused on joint commissioning policies, but formal consultations in line with an agreed engagement and consultation framework will be forthcoming in due course.

The ICS consists of five sub areas, called integrated care partnerships (ICPs). Commissioners and providers work collectively in each ICP and all nominate a chief executive/ accountable officer to represent their ICP on the ICS board. Five ICS non-executive directors have been appointed from existing organisations with a remit to bring a local perspective, but to represent the ICS rather than their individual organisations. The ICS also has representation from health and wellbeing boards, as nominated by the local authorities. A GP provider representative is also a member of the board. All ICS executives are on the board and a joint ICS/NHS England/NHS Improvement management team meets regularly. Decisions are made at different levels within the system (ICS, ICP and neighbourhood) as appropriate to support improvements for the population. For example, mental health services are commissioned once at an ICS level, but primary care is developed at a local (neighbourhood) level, in response to an emerging strategic vision.

Key lessons from the ICS have been the importance of honest and open communications and the time needed to develop arrangements. Credibility and integrity are fundamental to decision-making because as soon as there is any indication of self-interest or distrust, the arrangements will fail.

Although getting the structural arrangements right is important, the ICS recognises that good governance is more about relationships than structures. It does not matter what governance structure you have in place – if people are against it, it is not going to happen. Trust and the way you do things is the most important element of collaborative decision-making, which takes both time and effort.

Chart 7: Lancashire and South Cumbria governance



Shared leadership

West Midlands

There are currently four STPs that cover the West Midlands region and each have a designated STP lead and finance lead. Across the region there are examples where shared leadership has helped to simplify arrangements and provide a single voice.

The merger of Birmingham Cross City, Birmingham South and Central, and Solihull CCGs earlier this year created a CCG covering a population of more than one million. Engagement with local partners and aligning three organisational cultures has been challenging, yet vital, taking significant time and effort. This has allowed a stronger single commissioning voice to ensure effective and less variable commissioning of health services for the population of Birmingham and Solihull.

The streamlining of decision-making, through reducing the number of organisations, has also been helped by the merger of Birmingham's two largest hospital trusts in April 2018.

Elsewhere in the West Midlands, there have been opportunities to share chief executives across NHS organisations. In Herefordshire, there is a single accountable officer for the four CCGs. In the Coventry and Warwickshire area, Wye Valley NHS Trust and South Warwickshire NHS Foundation Trust have agreed a strategic partnership with the appointment of a joint chief executive. These changes have helped to move system conversations and decisions forward.

Clarity of purpose

South Tyneside and Sunderland local health economy

The South Tyneside and Sunderland approach to system-wide working has a clear focus on improving health outcomes and ensuring the sustainability of service provision into the future.

The key features of the approach are:

- Organisations in a system acting and behaving as though they are one, while maintaining statutory and contractual responsibilities of individual organisations – both CCG commissioners and acute providers agreeing to collaborative governance arrangements and setting up a system-wide clinical reference group
- Formalised by agreed principles, ways of working and a risk share agreement that overlays underlying commissioning contracts
- Three-year block contracts
- Clear focus on doing what is right for the population and system-wide efficiency
- Collaborative and proactive management of resources.

In addition, within Sunderland the vanguard work has led to a new way of working for out of hospital care. To support this, an All Together Better Alliance Agreement has been developed. This is a fundamental element of delivering out of hospital reform and includes NHS and local authority commissioners, as well as a multitude of NHS and non-NHS providers of care.

It has taken more than six months of work, with lawyers, to pull together the agreement. This is essential to avoid costly and time-consuming unpicking of decisions later. All parties have been involved throughout, including GPs and the local authority. The key lessons learnt in developing this approach have been the importance of engagement, getting good-quality advice and including the right people.

The result has been a clear governance framework for the Alliance to move forward with making decisions to deliver the best care for patients.

North Cumbria ICS

Having been identified as one of the most challenged areas in the country, North Cumbria was selected as a success regime, which is where it started its journey to develop a clear and agreed strategy. It was publicly consulted on and all organisations signed up to it. For decision-making, the focus has been on having a shared vision to refer back to when making collective decisions.

A system leadership board has been established, which allows decisions to be made at the same time on behalf of all organisations. A recent example was a collective decision for the prioritisation of resources in the current year.

The biggest lesson has been the importance of a shared vision and trust. Decisions have been helped by the clear sense of purpose over what is trying to be achieved and having the reference point of a documented agreed plan and strategy.

Information for decision-making

South Yorkshire and Bassetlaw ICS

The ICS has been exploring how to make governance more effective and is currently undertaking a full governance review to ensure that its systems and governance are fit for the future. This includes how best to manage the decision-making process within the current statutory framework.

At present, the collective chief executives and accountable officers form an executive steering group, which meets routinely, receives recommendations and makes ICS-based decisions (noting of course that trust board and governing bodies retain statutory authority). This arrangement has enabled the ICS to function with core business, such as deployment of transformation funds, and agree ICS-level recommendations regarding priorities such as the system

capital business cases and the health system-led investment funding approach. The capital submissions for the system flowed through the executive steering group based on weighted assessment criteria, alongside a wide range of stakeholder engagement, including wider partners and expert stakeholders such as estates and finance professionals. The key ingredient that made this work was the use of a logical approach that was well communicated and involved the wide inclusion of all stakeholders.

In addition, the ICS has established an interim finance and activity committee to assure the system control total on behalf of the system, in advance of agreeing integrated assurance arrangements with regulators. The ICS has also formed a system efficiency board to act as the focal point for system-wide efficiency, facilitate engagement, share intelligence and identify which schemes can best be done at scale and pace as a system.

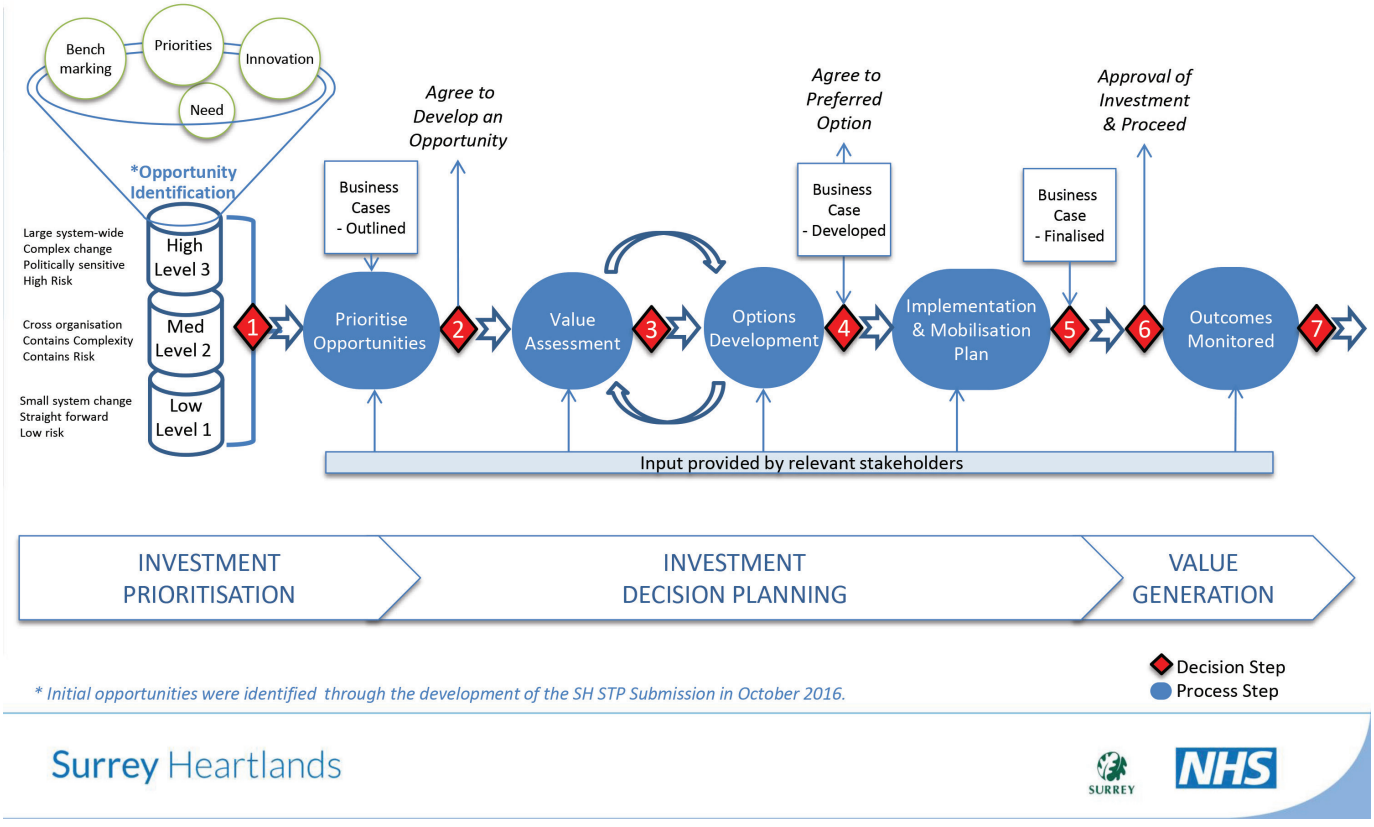
Value-based decision-making

Surrey Heartlands Health and Care Partnership

The Best Possible Value (BPV) Decision Framework helps NHS organisations follow a clear, structured decision-making process that demonstrates good governance and models different options based on value. Surrey Heartlands used the decision-making approach for the application of transformation monies across the system.

Chart 8 shows how the investment framework process has been developed. The seven red diamonds represent the decision steps that each investment proposal must pass through, in line with the BPV principles. In addition, the framework describes the governance group at which key decisions will be made at each level.

Chart 8: Surrey Heartlands investment framework process



The framework and governance structures support the prioritisation and approval process for the investment of transformation funds. It was recognised that those who are charged with drafting and presenting the supporting business cases need sufficient knowledge of the local investment framework and the BPV principles.

This enabled a supportive environment in which individuals could discuss and develop their proposals. Workshops took place with a total of 46 participants, including clinical, financial and operational leads.

The use of the investment framework allows future decisions on business cases and the relative priorities to be made in a consistent and objective way.

The BPV framework puts value – defined as outcomes over resources/costs – at the heart of the decision-making process. The framework is designed to ensure that the decision process is consistent, transparent, evidence-based and open to scrutiny. It ensures that all options are ultimately compared against each other in a way that uses relative value as the basis of making the final decision. **Chart 9** shows the 12 templates that guide the BPV process.

Further stories of what each integrated care system is doing across a range of topics can be found on the NHS England website[11] and the NHS collaboration platform form managing collective financial resources[12].

Chart 9: Best Possible Value decision-making templates

	Template	Description
WHAT	1 Decision Charter	Define the main decision and key outcomes required
	2 Decision Steps	Break the main decision down into sequential steps
	3 Value Measures	Agree the value criteria and metrics to monitor
WHO	4 RAPID Roles	Assign roles and responsibilities for each Decision Step
HOW	5 Key Actions	Summary of issues and actions for each Decision Step
	6 6Cs	Details and relevant forums for each Key Action
WHEN	7 Decision Timeline	Decision process calendar with key milestones
VALUE	8 Value Building	Establish a case for change and supporting assertions
	9 Evidence Log	Assess the available evidence and set targets
OPTIONS	10 Scoring Rationale	Establish value scoring mechanisms and tolerances
	11 Value Comparison	Compare and rank the value generated by options
	12 Value Priorities	Prioritise the available options using value and risk

Source: Future-Focused Finance[10]

The BPV framework puts value – defined as outcomes over resources/costs – at the heart of the decision-making process. The framework is designed to ensure the decision process is consistent, transparent, evidence-based and open to scrutiny

[10] Future-Focused Finance, *Best Possible Value (BPV) Decision Framework,* website viewed November 2018

[11] NHS England, *Integrated care systems web page,* ongoing

[12] Managing Collective Financial Resources FutureNHS space, *workspace home*, viewed November 2018

Lessons learnt

Each health and care system is different, but the stories set out in this briefing show that there are some common ingredients to developing good system-wide governance arrangements – and in particular how to make effective and timely system-wide decisions across health and care systems.

It can be difficult to share decision-making, so an environment is needed to make this easier. The top 10 tips below are intended to help readers as they think about how they develop their own effective decision-making models.

1. Build trust and relationships

Without trust – regardless of what structures and documents you have in place – effective decision-making will be almost impossible. Whatever the legal mechanisms are, it is actually the people, relationships and leadership that allow joint decisions to be made. If people have fragile relationships they will not be inclined to try to make the difficult decisions. It is important to have a good understanding of others' points of view. Time and effort must be invested to build this essential trust at all levels. In the examples given earlier, leaders meet regularly. This can be both formally and allowing time before or after for an informal catch-up.

2. Agree decision-making principles in a memorandum of understanding (MoU)

An MoU is good practice in partnership working and should include a clear data sharing agreement. Both the discussions required to agree a set of system decision-making principles and the written document itself bring a number of benefits. Board sign-up is key. An MoU allows early engagement and agreed processes before difficult decisions arise, supporting the enforcement of agreed arrangements. Currently, management is by consensus. So a framework is required to help in potential scenarios, such as where decisions can be made on a majority basis where an organisation may sign up to an element of the proposal, or how conflicts of interest will be resolved. When moving money around the system, this becomes even more important and auditors will be keen to see contractual documentation.

3. Ensure clarity of decision-making arrangements

Documentation of who, what, where and when decisions are made must be clear. This will enable the decisions made, and the reasons for them, to be clearly communicated. It is necessary to have clear arrangements of what to do when decisions cannot be agreed to try to avoid conflict or a lack of progress. The examples given demonstrate the need for good secretariat support, with a strong understanding of governance, to ensure that meetings are aligned and decisions clearly recorded. In many cases, contentious decisions may be made and if these are not recorded properly, they could lead to a judicial review and the unravelling of decisions. Some simple examples were cited by interviewees as being helpful, such as using different coloured papers for different committees at a 'committee in common' for the clarity of decision-making.

4. Ensure transparency of decision-making arrangements

Transparency of decision-making arrangements, the decisions made and their implications are essential to building and maintaining trust both in organisations within the system and with the public. In some cases, the STP/ICS can be incorrectly perceived as a separate group at which decisions are made – transparency will help to ensure all are aware of how and why decisions have been made and to provide confidence in the process. Transparency is best achieved by using a range of methods such comprehensive minutes, honest communications and a clear explanation of the reasons why decisions were made.

5. Ensure effective engagement and communication

Good engagement with a diverse range of internal and external stakeholders will help ensure that decisions made can be effectively implemented. Interviewees commented that engagement throughout the process, to bring people on the journey – and with all staff and users, not just a few senior officers – is key to making things happen. In some cases, non-executive directors and lay members have commented that they feel uninvolved and uninformed about system decision-making, particularly as committees in common are often made up of executives. A series of set piece meetings and a clear mandate to do this will help. The political dimension, particularly during the lead-up to elections, must also be recognised and it is important for the system to understand the implications, engage throughout and manage a clear message. Embracing public engagement is essential as difficult decisions need to be made such as, often controversial, service reconfigurations.

6. Agree a shared, population-focused vision

In many of the examples given in this briefing, it is the vision to improve the patient experience, and the recognition that working across a system is the best way to achieve this, that has driven effective system working and collective decision-making. Every decision impacts on patient care and for each decision it is important to identify and think about its consequences – both intended and unintended – to ensure best value for the population. The BPV decision-framework includes a series of bite-size documents[10] that share some of the principles of the framework and can be used as part of everyday decision-making across health and social care systems.

7. Ensure that the right decisions are made at the right level

In a number of examples given, collective decision-making has been most effective when it has been made at the most appropriate level by the appropriate system partners. For example, strategic decisions are made by the system-wide board and operational decisions are made at a local level. This principle of subsidiarity has been a key tenant of the Greater Manchester approach to delivering change and is clearly set out in their *Health and Social Care MoU*. Often it is one element of a decision that will be contentious, so breaking down larger decisions into smaller elements can help keep momentum and avoid delays.

8. Ensure evidence-based decision-making

A good understanding of the potential impact of decisions requires good-quality information that is easy to understand and access. As referred to earlier, a clear data-sharing agreement will ensure that it is not only high-level summary data that is available. There is a wealth of data available and to avoid wasted time and effort, it is important to firstly agree what you are trying to achieve. The information requirements to provide the tools to decision-makers in addressing this, and their sources, should be agreed up front. For example, what information is needed to effectively review the impact of decisions on capacity and demand management. How this evidence has been used to support a decision across the system should be clearly recorded.

9. Develop capacity and capability for decision-making

Effective system decision-making requires a significant cultural change to think and act as a system. The skills required across financial, managerial and clinical staff will need to be developed to support this. For example, influencing skills, analysing and option appraisal and assessing system impacts are all key. A clear understanding of the role of each organisation in ensuring there is both the capacity and capability across the system to support effective decision-making is needed.

10. Develop a clear assurance mechanism

With the need to ensure decisions are made in the best interests of the system and its population and the opportunity for conflicts of interest to arise, a clear assurance mechanism is essential. The MoU is an important tool for assurance purposes. Examples used to support this include an independent chair of the system board, a system-wide audit committee and system-wide internal audit plans. Non-executives have the potential to add considerable value, having a key role to play in the assurance of system decision-making.

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Conclusion

It is increasingly recognised that the transformation required to drive best value for patients will be based on a collaborative system approach, both across NHS organisations and with wider partners within the health and care system. However, with the current organisational architecture and regulation, decision-making across a system is complex and slow.

Legislation has not caught up with the national direction. Consequently, systems are faced with 'work around' strategies on a whole raft of areas, which inevitably unnerves those having to make decisions. There is no one approach that can easily be applied to all to solve this and it will take time.

Nonetheless, the shared stories show that there are some clear common ingredients for success – trust, clarity and engagement being essential.

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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