

System thinking: How the finance function can help shape the future of the NHS

Roshan Patel, Director of Finance,
Hampshire and Isle of Wight Partnership

The NHS Long Term Plan



Hampshire and Isle of Wight
Partnership of Clinical Commissioning Groups

- A new service model:
 - Boosting **out-of-hospital care**, based upon three years of testing alternative models in the Five year forward view through integrated care vanguards.
 - **Integrated care systems** (ICSs) promise to ‘finally dissolve the historic divide between primary and community health services’.
- Shifting resources:
 - A commitment to increase investment in **primary medical and community health services** as a share of the total national NHS revenue spend, meaning at least a £4.5 billion more will be spent on these services in five years’ time.
 - The plan promises to focus on population health, enabled by **ICSs covering the whole country** by April 2021.

The finance function

- A different focus for finance staff:
 - The Plan sets out a number of changes including **earned financial autonomy for ICSs**.
 - To support the move to system shared decisions about financial planning and prioritisation, local health systems will be given **greater control over resources** based on a track record of strong financial and performance delivery.
 - To support this, local health systems have received **five-year indicative allocations** for 2019/20 – 2023/4.
 - The move to ICSs will be supported by NHS Improvement taking a more proactive role in **supporting collaborative approaches between trusts**, and also by reforms to funding flows and contracting arrangements.
 - The Plan also includes a commitment to support local approaches to **blending health and social budgets** where councils and CCGs agree it makes sense.

The finance function



System working

- Challenges of system working:
 - New **system governance arrangements** are still being developed, impacting the speed and transparency of decision-making processes.
 - In some areas, there is an absence of agreed **STP-wide resources** to drive transformation. Most staff remain ultimately accountable to a single organisation.
 - Different and sometimes conflicting **statutory obligations** for CCGs, Trusts and Foundation Trusts, can cause tension when managing finances at a system level and working with the regulators

System working



Ollie White

Director of Operational Finance
NHS North East Hampshire and
Farnham CCG

System working

- Some lessons learned:
 - Finance staff will need to **develop different relationships** with their counterparts in neighbouring organisations.
 - System finances can only be managed effectively if organisations are willing to adopt an **open and transparent approach** to dealing with one another.
 - **Sufficient time and resources** are needed to drive system-level work and allow individuals to develop a system-focussed mind-set.
 - **Building trust** between individuals and organisations is key to facilitating the above.