hfma briefing

Contributing to the debate on NHS finance
December 2008

Clinical engagement

Guidelines and practical ideas for improving clinical engagement in financial management throughout the NHS

Foreword

Clinical engagement in financial management in the NHS has always been important, desirable – necessary even. But it is becoming vital. We have had two decades of delivering demanding levels of cash-releasing efficiencies, but the pressure to improve value for money and the use of resources is unrelenting. As a result, we now need to find new ways to step up productivity, delivering services that cut costs while enhancing the patient experience.

Finance managers have an important role in this efficiency drive. But they cannot deliver it alone. It is clinicians – doctors, nurses and allied health professionals – who commit NHS resources and they need a greater understanding of the financial consequences of their actions. They also have the intimate knowledge of the way services are delivered, how pathways could be improved and often where the waste sits. The NHS needs to harness this expertise in improving efficiency and delivering better, patient-focused services.

The role for finance is to support clinicians in delivering the win-win of better services with reduced costs. The professional expertise of the finance function combined with the clinical training and insight of frontline clinicians is a powerful team.

We need to start working together. There are learning points for both sides. Finance needs to get the framework right for good clinical engagement and to provide meaningful, timely data for clinicians to take decisions on. Meanwhile clinicians need to gain a better understanding of the financial environment they are working in.

The HFMA recognises the importance of improved clinical engagement. Better engagement has been a theme for me in my year as association chairman. But it will remain a priority for the association and the service in 2009 and beyond.

This briefing sets out some guidelines for improved engagement with suggested action points for finance managers to follow or to compare against processes in their own organisations. The guidelines only skim the surface in providing ideas and opportunities for engagement.

The HFMA would be keen to hear of practical ideas or good case studies in engagement, which it will look to share with the wider finance community. Please send ideas to steve.brown@hfma.org.uk

Chris Calkin
HFMA chairman (2007/08)

Acknowledgements

Many of the comments and proposals in this document are based on an HFMA policy Forum held in April 2008.

Changes in the way the NHS is run provide new opportunities for clinicians to engage with financial management

Introduction

The need for clinical engagement in financial management is not new. Clinicians – and by clinicians we mean doctors, nurses and all the health professions – are the people responsible for the way services are delivered and the people who actually commit resources. So ensuring those resources are used to their best effect has to involve clinicians.

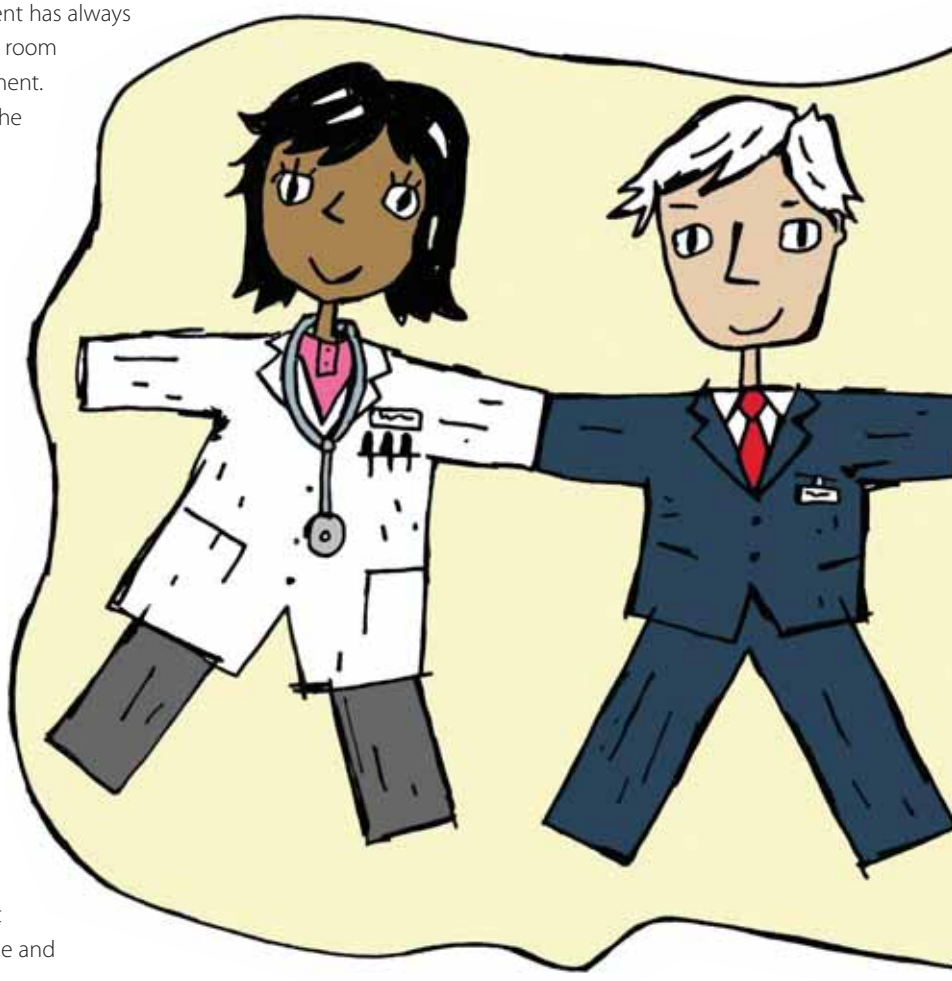
Getting value for money from NHS resources is a complex business. It involves matching resources to priorities – getting the right balance between different healthcare services, between primary and secondary care intervention and between prevention and treatment. And even with these splits in place, securing value for money means maximising patient benefits within available resources. That may mean redesigning a patient pathway to improve patient outcomes or eliminating unnecessary steps and costs to free up resources to invest in additional patient services. None of this can happen without the involvement of clinicians, supplied with timely and accurate information and supported by managers from finance and other disciplines.

While clinical engagement has always been important, there is room for substantial improvement. And recent changes in the way the NHS is run – particularly in England – have provided new opportunities for clinicians to engage with the financial management of their clinical directorates, business units or organisations. Patient-level costing, service line reporting, service line management and practice-based commissioning – all under-pinned by a national tariff – bring clinicians much closer to the financial management of their organisations, in some cases giving them direct accountability for income and expenditure that can stretch into millions of pounds.

The principles of clinical engagement are just as relevant in the devolved nations. Clinical and cost effectiveness are required wherever NHS services are provided.

Improving clinical engagement is a major theme for the HFMA. The association has already made a number of practical contributions to improving clinical engagement across the NHS. It has worked with the Royal College of Nursing on a series of roadshows aimed at improving understanding of NHS financial issues among nurses and other budget holders.

It has also produced a chapter-by-chapter guide to the new version of healthcare resource groups (HRG4)* in conjunction with the NHS Information Centre. With an HRG4-based national tariff to be introduced from April 2009, this was a timely publication to help improve understanding of the new more granular groupings. The guide was initially aimed at finance practitioners, but the document also has value for a clinical audience. Many finance directors have reported that the briefing has also been well received by heads of commissioning and clinical leads.



*see.www.hfma.org.uk

Guidelines

Governance and accountability (page 4)
- Ensure structures are fit for purpose
- Set the tone
- Be clear about the purpose – to improve health and healthcare

Communication and culture (page 6)
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- Improve managers' and clinicians' understanding of the health business across the whole economy
- Be completely open about finances
- Create opportunities for engagement

Importance of good information (page 9)
- Ensure data is robust and well presented
- Get the right balance between speed and accuracy

Commissioning and purchasing (page 11)
- Involve clinicians in commissioning
- Involve clinicians in procurement

The association has also expanded its suite of e-learning modules. A key audience for its introductory level modules are budget holders and non-finance managers, making the various modules a useful way to improve general awareness of financial matters. And the HFMA has also recently updated its popular *Introductory guide to NHS finance in the UK*, which continues to provide a reference guide for readers both inside and outside NHS finance departments.

In April 2008, the HFMA's Policy Forum was convened to consider the issue of clinical engagement. As a result of its discussions, it has developed some good practice guidelines.

The Policy Forum discussions and guidelines were informed by the Audit Commission's *A prescription for partnership* report, published in December 2007. The Audit Commission organised its report around four themes:

- Governance and leadership and the significance of organisational structure and the clinical directorate model
- Differences of language and culture and their meaning for relationships between clinicians and non-clinicians
- The crucial importance to clinicians of good information
- The role of clinicians in commissioning, purchasing and procurement

For consistency, the good practice guidelines are organised within these theme headings. They aim to list some of the key issues that need to be addressed to improve clinical engagement in commissioning and provider organisations, as well as providing some practical ideas for making engagement a reality in the workplace.

The principles of clinical engagement are just as relevant in the devolved nations

Governance and accountability

Ensure structures are fit for purpose

Financial management operates within a framework of governance and accountability. This structure is dictated by the board and flows down through the organisation, setting the freedoms available to clinicians and other staff – the autonomous financial decisions they can take – and setting out how they are accountable for their decisions and actions.

There are different models for dividing an organisation into operational units and for arranging key services such as finance and human resources to support them. For instance NHS trusts typically organise themselves in clinical directorates (including separate directorates for surgery, medicine and diagnostics), often headed by individual directorate general managers.

However, in some cases, clinical directors are directly accountable for financial management to the trust chief executive. Different approaches are also taken to providing support to these directorates. Some trusts have a centralised management accounting function, while others prefer to devolve the function to clinical directorates, with the accountant becoming part of the directorate management team.

The HFMA agrees with the Audit Commission that the structure of an organisation's finance department – whether devolved or centralised – is less important than the style with which its staff operate. However, whatever structure is adopted, it is important that management and clinical responsibility are aligned with financial accountability – that those who manage and run services should also be accountable for the finances.

Ideas for action

- Local context will dictate the best solution for a specific organisation, but organisations should review their current arrangements for financial support to operational units to ensure they are fit for purpose and provide clear links between clinical responsibility and financial accountability.

Set the tone

Everybody in the organisation needs to understand that they have responsibility for finance – not just finance staff, clinicians and budget holders. However, it is vital that this recognition starts at board level. Excellent financial management is the bedrock for excellent services. The whole board has to sign up to the importance of financial management and lead by example. Getting buy-in from clinicians and other staff may demand measures beyond simple encouragement. There is little point in finance departments handing out useful and well presented financial information about services if clinicians and budget holders do not feel compelled to act on the information.

Organisations need to spend time explaining the importance of good financial management and its relationship to the quality of services. They may also need to look at the incentives and penalties in place to underpin the greater use of financial information. Moves to service-line management, with service lines retaining the benefits of an improvement in income and expenditure for investment in service development, provide an opportunity to make finance 'real' for clinical teams. Within primary care, practice-based commissioning also provides incentives to use financial and activity information to enhance service delivery and productivity. Organisations need to have transparent mechanisms for when service lines or practice-based commissioners fail to hit targets or exceed budgets. Organisations also need to examine whether there are other structural, contractual or process obstacles to improving productivity.

Ideas for action

- Review incentives for service lines and practice based commissioners.
- Develop service line reporting to better understand 'profitability' of each service.
- Introduce service line management to engage clinicians.
- Engage with clinicians to ensure contractual arrangements meet mutual needs of organisation.
- Get clinicians to present financial reports.
- Clinical leaders and managers should be set an objective relating to financial management.
- Job descriptions for non-financial posts should include the requirement to achieve a level of understanding of financial management.

Be clear about the purpose – to improve health and healthcare

There are significant financial benefits to improved clinical engagement. However it should be clear at all times that the over-arching aim of improved clinical engagement is better quality services and enhanced patient care. (This could also be considered an issue of communication. However

Everybody needs to understand that they have responsibility for finance – not just finance staff, clinicians and budget holders

achieving a shared vision for an organisation is a key part of good governance and getting the organisation to buy into the importance of good financial management as part of the overall vision is key to success.)

There is a clear link between organisational financial wellbeing and good clinical standards that works both ways. Good financial management provides the foundations for delivering high quality, patient-focused care. But improving quality often also has a financial payback, reducing waste and inefficiencies.

Experience has shown that involving clinicians in financial management can lead to improvements for patients in terms of safety and improved services or funds more directly focused on key priorities. Even where improvements lead to a simple reduction in costs, the real purpose is to free-up resources for investment in additional patient services. Finance managers need to be clear that improving patient services and outcomes are the aims of greater clinical engagement. And new approaches such as service line management are about bringing together the quality and finance agendas.

In recent years, the NHS has introduced greater commercial-style practices. For instance in England, the opaque system of brokerage has been replaced with a transparent system of working capital loans. And there have been welcome changes to the financial regime – including a recognition that trusts need to plan for surplus to enable assets to be refreshed. But finance managers also need to recognise that over-use of 'business' language can be a turn-off for clinicians.

While in the finance community, there is recognition that financial success is a prerequisite for clinical success, managers need to reinforce the message that the overall aim is to improve patient services. Importantly this means that clinical engagement cannot simply be another 'initiative', introduced to address a financial problem, but must be part of the day-to-day job of ensuring value for money in the commissioning and provision of health services. Simply put, clinical engagement has to be part of the culture; the way in which the NHS goes about its business.

Ideas for action

- Ensure all financial targets are linked to services.
- Open dialogue with local media on why a surplus is important and what it will be used for (trusts).
- Develop clinical pathway approach to service redesign by clinicians.

Experience has shown that involving clinicians in financial management can lead to improvements for patients in terms of safety and improved services

Developing a greater shared language will create greater mutual respect and communication between clinicians and managers

Communication and culture

Prioritise training

Clinical engagement is a two-way street with clinicians and finance managers needing to understand more about each other's business. Training is key – both to improve finance managers' relevant knowledge of clinical practice and to improve understanding of the NHS finance regime among clinicians and non-finance staff. There are clear opportunities to:

- improve training of finance managers, in particular to enhance their ability to work with clinicians and understand clinical issues
- improve financial training of qualified clinicians
- improve financial content within existing curriculum for clinicians in training
- facilitate joint learning between clinicians and finance managers

By developing a greater shared language, there should be greater mutual respect and communication between clinicians and managers and a greater understanding of the shared challenges.

Training finance managers in clinical issues should underpin their knowledge gained from walking the patch and help make discussions with clinicians more informed and productive. For managers working in commissioning organisations, training may be particularly important given the greater difficulties in getting out into all the various settings in which care is delivered.

The existing graduate training scheme for NHS managers provides an introduction to clinical practice and this could be used as a model for providing training to managers already in the service or entering via a different route.

However, finance managers also need to develop 'softer' skills in addition to their financial and business competencies. There should be a formal training programme to help finance managers develop influencing and interpersonal skills and to understand better the mindset, culture and motivations of clinicians.

Formal financial training and briefings should also be provided for clinicians to improve their understanding of financial reports and the importance of financial management. There is widespread support for proposals to introduce a training framework for medics that will result in doctors undertaking financial training at undergraduate, postgraduate and post-specialist level. However the NHS already has opportunities to improve understanding of NHS finance among a range of clinical trainees on placement in their organisations. Informal and formal training sessions should be held for these groups. And once trainees become fully qualified, refresher courses will be needed.

NHS organisations should also look for opportunities where finance and clinical staff can learn together. For instance new healthcare resource groups (HRG4) may provide a focus for greater discussion. The new groupings are likely to have a significant impact on financial flows when they are introduced as the basis for the new tariff in 2009. They should form a good foundation for discussions between clinicians and managers. Improved understanding of the new groupings on both sides – both in terms of how existing activities will be mapped to revised groupings and the likely financial implications – is likely to lead to better organisational performance.

Ideas for action

- As part of their personal development plans, medical and clinical directors plus any clinical leaders should have a tailored programme to develop their financial knowledge.
- Arrange a rolling programme of *Introduction to NHS finance* courses with timings to suit clinicians, budget holders and non-finance staff.
- The HFMA should investigate developing an e-Learning module for clinical staff drawing on elements of existing modules.
- Regular timely presentations should be given to consultants at key points in the year, for instance covering the agreed plan, budget setting and annual accounts.
- The HFMA, strategic health authorities and finance directors should establish links with local postgraduate tutors to prioritise teaching on NHS finance as part of scheduled management training.
- The finance profession should provide support for a training programme that builds clinical trainees' knowledge over their training years, rather than just focusing on financial issues in the final stages of training. A course could be built around different modules in different

foundation or speciality training years, for example: Introduction to NHS finance (F1/F2); payment by results (ST1); governance (ST2); budgets (ST3); preparation to be a consultant including business cases (ST4/5). A module on PCT finance would also be useful for GP trainees.

Improve managers' and clinicians' understanding of the health business across the whole economy

Formal training will be key to improving clinicians' and managers' mutual understanding of each other's business. However this practical and theoretical learning should be reinforced by opportunities for engagement and discussion, leading to a better understanding of the key challenges, issues and drivers facing different departments and the organisation as a whole.

Clinical engagement is clearly situation specific. Different parts of the health service need to engage clinicians in different ways. Different strategies will be needed to engage with clinical staff in hospitals and PCTs, where most clinical staff will be dispersed around the health economy often giving far greater challenges. The mechanisms for engagement – for instance service line management and practice-based commissioning or patient-level costing and programme budgeting – are also clearly different in different settings.

However, all senior finance managers need to walk the patch, talk to clinical staff and improve their understanding of clinical activities. This should be a day-to-day part of the job of working in finance, with informal interactions with clinical staff helping to improve understanding of clinical issues. It needs to be clear to clinicians that this walking the patch is not about checking up on clinicians or some form of time and motion study, but a real attempt to engage with the health service's core activity.

Informal interactions could also be supplemented by a formal programme of job shadowing, which is likely to reinforce personal relationships and provide an opportunity to improve understanding of clinical activities. Also financial managers should be encouraged to see the bigger picture looking beyond their organisational boundaries, looking at whole programmes of prevention and care across primary, community and hospital-based settings.

Finance managers should use their skills to answer questions and improve understanding of financial issues among non-finance staff. This process should start at board level with the finance director supporting wider understanding and enhanced challenge from fellow directors and non-executives. But it needs to carry on through all levels in the organisation with finance staff making themselves available to answer financial queries from clinicians, budget holders and other staff. This can be on an informal basis, however it may also be helpful for finance managers to hold regular 'surgeries' to answer specific questions from individuals. Not only will this help improve understanding of key issues, but it should also raise the profile of finance across the organisation.

Clinicians and managers also need to develop an understanding of the broader healthcare economy, its plans, priorities and challenges. The World Class Commissioning programme calls on commissioners to develop a greater understanding of provider economics as part of a key commissioning competency. But providers also need to understand the direction of travel of their commissioners and the financial climate they are operating in.

Programme budgeting information, looking at PCT spend across 23 programmes of care, may be useful for economy-wide discussions. Using comparisons with similar PCTs, the data could provide a useful foundation for discussing existing spend levels and plans to shift resources to different programme priorities (either to improve outcomes or back local priorities). This discussion should also look at the spending patterns within programmes, looking at and challenging how spending is split between prevention, primary care, secondary care and specialist services.

Joint discussions involving managers and clinicians from both providers and commissioners will improve overall levels of understanding about current and future spending levels and provide a forum for initial discussions around patient pathway development.

Ideas for action:

- Set up formal programme of job shadowing between finance and clinicians and clinical leads, providing dedicated time for finance managers to observe and improve their understanding of the clinical business of healthcare.
- Establish regular, open-access finance surgeries to enable clinicians, budget holders and other staff to ask questions about financial issues.
- Set up meetings for PCT and trust managers and clinicians to discuss programme budgeting data to

Senior finance managers need to walk the patch, talk to clinical staff and improve their understanding of clinical activities

improve understanding of existing expenditure patterns and talk about plans/potential to change the balance of funding across programmes.

- Integrate financial and activity information.
- Understand the activity flows and counting processes.

Be completely open about finances

Finance managers need to ensure that their processes and actions are completely transparent, understood and accepted by the clinical workforce. This should start with a budget holder's handbook (budgetary control policy) that is written in accessible, plain English. However, organisations should also support clinicians, budget holders and managers by providing plain English guides on how to develop and present a business case.

Organisations should seek to demystify financial policies and approaches. For instance, an organisation's reserve policy can be misinterpreted by clinicians. If clinicians believe that money is being held centrally as a general buffer – the finance director's 'back pocket' – it can undermine calls to improve finances at the service line level. However, if clinicians are briefed on the reason for any central reserves or surplus – and made aware of the often complex movements in an organisation's reserves position through the year, perhaps through a monthly report on movement – they are much more likely to understand the requirements. Similarly there needs to be complete transparency around the organisation's approach on issues such as the recharging of capital charges and overheads out to divisions.

It is also important for divisions, service lines or departments to understand their own performance alongside the corporate position and recognise the importance of the organisation as a whole meeting its corporate targets.

It can also be important to agree the 'terms of engagement' in advance. For instance, if moving to service line management, it is important to clarify upfront what the approach will be to surpluses or losses made by different service lines. Freeing up funds for investment in additional services within their own divisions or specialties can be a powerful motivator for clinicians. But the level of earned autonomy needs to be clear from the outset. Clinicians will often acknowledge the need for some cross subsidisation between 'profitable' and 'loss-making' services – particularly where the loss-making service is crucial to future growth or related services. But being clear about such cross subsidisation up front will avoid potential disillusionment down stream.

The same is true for practice-based commissioning, where commissioners need to be clear about the approach to surpluses and deficits on budgets. Involving clinicians in developing the terms of engagement will ensure greater buy-in.

Ideas for action

- Review budgetary control policy and other key documents to ensure they are up-to-date and easily understood by non-finance managers.
- Ensure that the trust's corporate finance position is reported at divisional/ directorate/service line level in the organisation.
- Publish the reserve policy and report monthly on all movements in reserves giving any necessary explanations.
- Encourage questions and challenge.

Create opportunities for engagement

In an ideal situation finance managers would have a one-to-one working relationship with all the key clinicians in their division or organisation. The Audit Commission's *Prescription for partnership* report on clinical engagement suggests that chief executives and finance directors should look to have a personal rapport with as many consultants as possible. This may well be challenging in very large organisations, but should not stop organisations facilitating improved working relationships.

Formal or set piece engagement events could play a role in this. Managers could set up meetings with newly appointed consultants three months after taking up their roles. This would provide a one-to-one opportunity to ensure consultants are settling in and to establish contact, reinforce the organisation's strategic aims, identify opportunities for greater involvement in financial issues and raise questions over current financial arrangements or processes.

Away days for existing consultants, new consultants and ward managers can also provide a platform for improving clinical engagement, providing an opportunity to reinforce strategic aims, explain the benefits of approaches such as service line management and address any concerns. These events can also provide an opportunity for clinicians to get to know each other better and potentially discuss different approaches to similar challenges.

In an ideal situation finance managers would have a one-to-one working relationship with all the key clinicians

It is also important to recognise that not all clinicians want to be budget holders or involved with strategic planning. Focusing on clinicians who are enthusiastic to be involved will pay dividends and these leaders can be used to champion the benefits of clinical engagement.

Ideas for action

- Arrange programme of engagement events for consultants and other clinicians and ward managers.
- Print or put on the organisation's intranet a 'Who's who' guide to the consultant workforce and distribute to directors and key managers.

PCTs should develop systems to enable the routine presentation of finance and activity data across care pathways

The importance of good information

Ensure data is robust and well presented

Good information is the key to clinical engagement. Clinicians are accustomed to making clinical decisions on the basis of evidence and information. Clinicians will understandably want to trust the information, before they are prepared to use it as the basis for changing practice.

Costing information is a good example. Under patient-level costing and service line reporting/management, costing takes on greater significance, giving provider organisations the opportunity to compare costs of carrying out patient or HRG-level activities with income received for those activities under the national tariff. However, if clinicians are to get involved with managing their services on the basis of this information, they need to believe the data. As a minimum this involves ensuring clinicians understand and accept how costs have been built up, including the basis for any cost allocation or apportionment. But best practice would see clinicians closely involved in the whole costing process, informing and approving any approach to apportionment. (There are arguments both for comprehensive allocation of overheads to directorates and for only allocating costs that directorates have control over [contribution to overheads]. But whichever method is used clinicians and directorate managers need to understand and accept the approach.)

In general, both managers and clinicians should aim to agree on the validity of the data. 'Rubbishing the data' as a means of defending the status quo is not a workable option. If there are concerns about data's robustness, clinicians and managers should be encouraged to suggest ways to improve it rather than simply criticising. Information does not have to be absolutely perfect to be acted on and agreement up front that it is accurate enough for the basis of decision making can be useful.

Clinicians also need to receive the right information, not simply being provided with the information that has traditionally been produced by the existing finance system. The Audit Commission's *Prescription for prescribing* report quoted one clinical director saying: 'Sending a budget sheet is probably not helpful. Regular, reliable information on the top 10 drugs we use has helped us to get involved properly. It needs to be picked off in bite size chunks.' The key is to involve clinicians in agreeing the information that can most usefully be provided.

Corporate and contractual data is important, but NHS bodies need to start presenting data in ways that better engage clinicians. For instance, PCTs should develop systems to enable the routine presentation of finance and activity data across care pathways. Developing data presentation like this (for instance diabetes spend broken down by spending on prevention, primary care, secondary care and specialised services) will be very powerful for decision making and engage clinicians where corporate data often doesn't.

The way data is presented is also important. Clinicians should be involved in selecting the format of reports. There may be preferences for the use of simple graphs or charts or for tabular information to present headline data, with clinicians able to drill down into the detail in spreadsheets or online. The key is to find out what works and use it. Clinicians and budget holders may, at least initially, need help in interpreting and then taking action on the figures presented. However it is the action based on the information provided that is important, not the data itself. Encourage discussion and challenge of figures. For instance, if clinicians challenge the validity of service line data, the cost apportionment approach used should be explained and they should be involved in the refinement of future apportionments.

Ideas for action

- Identify specific cost drivers relevant to the clinician's practice. This may result in a key performance indicator that is not directly financial, for instance length of stay.
- Use data warehouse approach to develop bespoke reports – pulling together key service and finance metrics.
- Recognise that one size does not fit all and a range of options and approaches will be required.
- Provide training and development opportunities for finance staff to support them in challenging clinicians and

The sooner clinicians are armed with the information, the sooner cost effectiveness can be improved

directorate managers over financial and activity performance.

- Provide briefings on approach to apportionment, for instance used in service line income and expenditure reports, and establish cycle of refinement and improvement of costing approach. Invite feedback on figures and apportionment approach.
- Provide support to clinical directorates/service lines/practices to help them interpret financial reports and support action on the back of reports.

Get the right balance between speed and accuracy

Timeliness of data is also vital. Clinicians want information that they can relate to their recent workload, so that the interventions and circumstances are still fresh in their minds. This will enable them to best judge if and how practices could be changed to improve services. Timely information also enables timely intervention. If a report indicates that costs are being incurred unnecessarily, the sooner clinicians are armed with the information, the sooner cost effectiveness can be improved. Finance managers need to strike the right balance between detail and accuracy of financial information and the speed with which it is produced.

Ideas for action

- Review transactional finance systems and month-end processes to identify obstacles to faster closing.
- Develop understanding with clinicians about the concept of 'fit for purpose' information.
- Check month end practices on journal transfers and the level of detail of accruals to ensure right balance between accuracy of management accounts and speed of production.
- Compare time taken to produce month-end reports with best practice in NHS and other sectors to identify opportunities for improvement.

Commissioning and purchasing

Involve clinicians in commissioning

GPs are increasingly assuming a direct role in commissioning through practice-based commissioning. However, they cannot do this in isolation and need to work with hospital clinicians to ensure that they look across the whole patient pathway in reviewing and developing optimum services for patients.

Clinicians need to lead the commissioning process in conjunction with commissioners. Finance and information professionals should provide the strategic framework in which they operate and make available relevant data on which to base decisions.

Bringing clinicians from primary and secondary care together will provide opportunities to identify workable solutions – for instance a redesigned care pathway – to contentious problems. Clinicians will frequently offer an insight into issues relating to activity levels or finance that may not have resulted from the sole involvement of service managers.

Bringing clinicians together will also provide an opportunity for commissioners to gain a better understanding of the provider's frontline activities, improving their understanding of provider economics – a key part of the World Class Commissioning competencies.

And it will enhance provider clinicians' understanding of the wider health economy. While there can be a tendency to look for income solutions to financial challenges in trust service departments, it can be helpful to understand the resource constraints facing PCTs. Programme budgeting information can also provide a focus for clinicians on both sides of the purchaser-provider split to discuss both current and future commissioning patterns.

Ideas for action

- Ensure there is a formal forum to provide an interface between primary care and secondary care clinicians to discuss issues across whole patient pathways.
- Set up lunchtime sessions for PCTs to present to trust clinicians on the pressures and issues facing commissioners.
- Facilitate economy-wide discussion of programme budgeting information.

Involve clinicians in procurement

Clinicians need to be involved with procurement decisions. Imposing central procurement decisions on clinical teams can look as though cost has been given a higher priority than quality and clinical choice. Involving clinicians in the procurement process can avoid misinterpretations.

Clinicians should routinely be involved with assessing the current range of products used and assessing their appropriateness in the light of clinical and cost-effectiveness. Organisations should also work closely with procurement hubs to identify potential for standardisation, either as a means of raising quality or freeing up resources without impacting quality.

Clinicians also need to be involved in the procurement of services. Having specified a redesign of a patient pathway for instance, clinicians can take a role in ensuring that agreed contracts will deliver the desired pathway. Commissioning of services is a major issue for commissioning bodies and clinicians should be involved in drawing up procurement strategies, identifying when services should be tendered for and the processes for running such a tender.

With GPs having an interest both as a commissioner of services and a provider, it can be useful to have clinical involvement in the setting of the strategy (through consultation with the professional executive committee or a commissioning group).

Ideas for action

- Set up clinical assessment groups to conduct rolling reviews of the major areas of expenditure.

Clinicians should be involved in drawing up procurement strategies, identifying when services should be tendered for and the processes for running such a tender

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Introduction to the Foundation Trust Financial Regime
Introduction to Primary Care Finance
Introduction to Business Cases
Introduction to Understanding the Accounts (Trusts)
Introduction to Understanding the Accounts (PCTs)
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Introduction to Charitable Funds
Introduction to Foundation Trust Application Process

Each module is linked to the knowledge and skills framework (KSF). See reverse for how each module ties in with the KSF.

The certificate aims to provide appropriate training on financial issues and to support NHS staff in helping their organisation to achieve the KLOE standards set out by the Audit Commission.

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Target Audience

Non finance professionals in the NHS, particularly general managers, nurse managers, practice managers, practice staff and NEDs. Finance staff new to the NHS.

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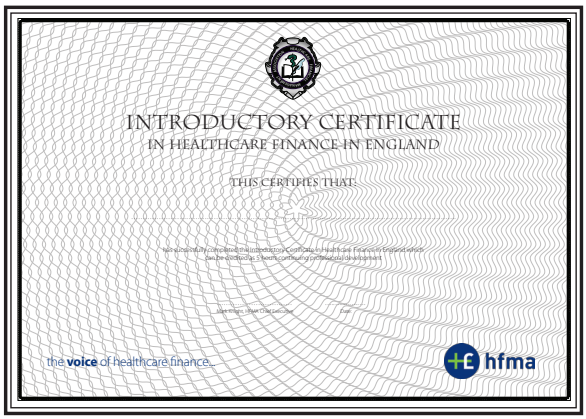

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