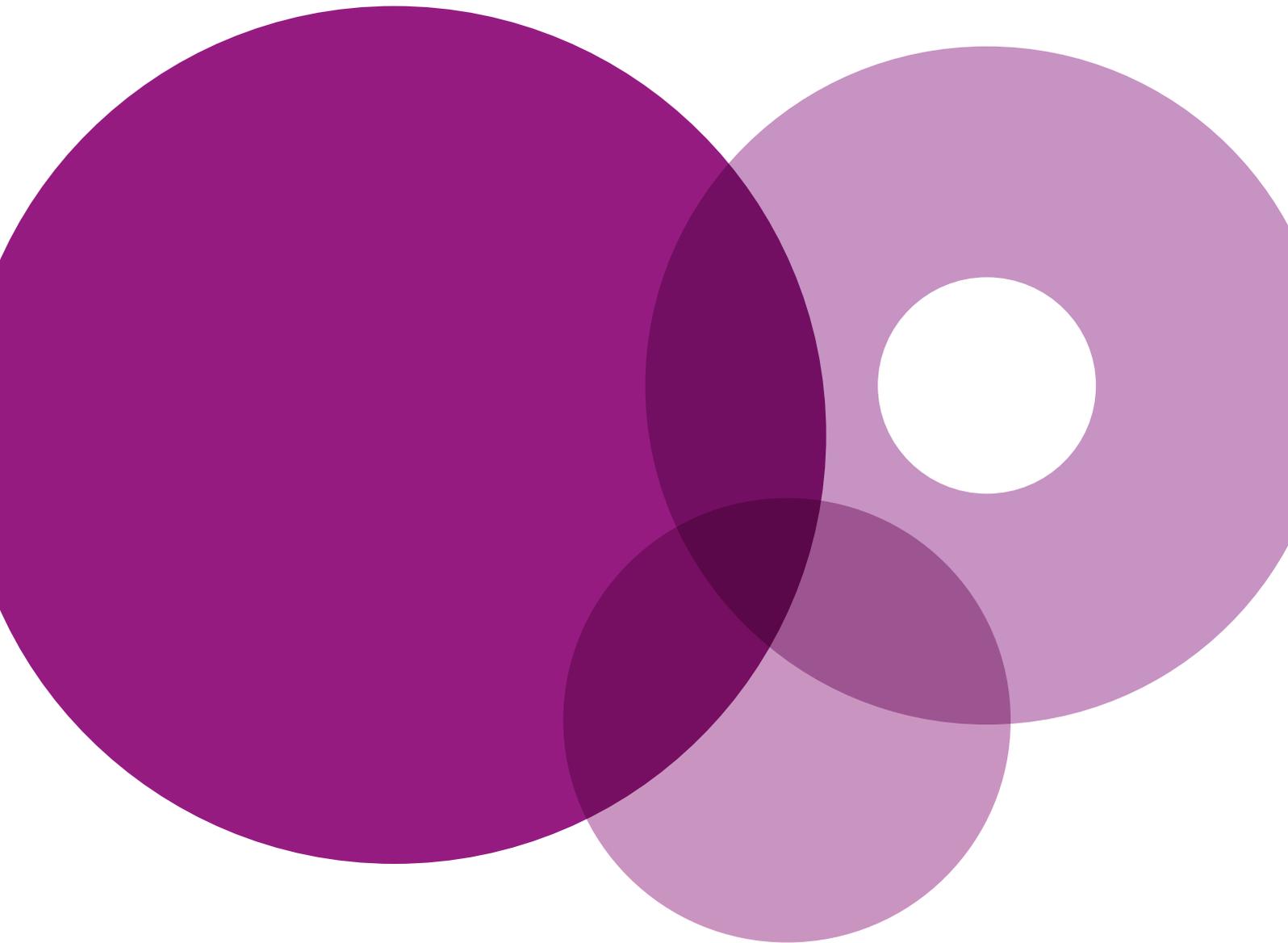


Stepping up to the place

Facilitated integration workshop –
integrated finance module



Introduction

The bringing together of health and care services has been a dominant policy for over a decade aiming to provide high-quality, sustainable services and improve health and wellbeing outcomes. Integrated systems can take many forms, depending on local need and circumstance. The evidence base shows that transformation, where successful, is iterative and requires trial and error, incremental change, and sustained effort and commitment. Nevertheless, there are key elements and characteristics that need to be addressed in order to succeed.

Finance is one of those key elements in achieving integration. Local authorities and NHS bodies are increasingly using system wide financial arrangements including pooled budgets, financial incentives, and risk and gain shares to better target pressured resources. Assessing new care models and new organisational models also relies heavily on finance as part of ensuring that services are better joined up to improve people's outcomes and experience of health and care. However, combining two historically discrete national systems is a challenge that is requiring local financial leaders to adopt an open and honest approach to overcome the various barriers to working together effectively.

This tool is a module of the 'Stepping up to the Place: facilitated integration tool'¹ and is designed to offer health and care system finance leaders a more in-depth self-assessment on the financial elements of health and care integration within their local system, helping them better enable improvement in outcomes and manage the risks.

This framework of questions has been designed by the Local Government Association (LGA), the Chartered Institute of Public Finance and Accountancy (CIPFA), and a reference group of sector partners, to support financial system leaders to identify their ambitions, commitment, capability, and capacity to make meaningful progress towards a fully integrated local health and care system. It is designed to be a facilitated self-assessment and should be used following a Stepping up to the Place workshop or a system-wide peer challenge.

More information is available at www.local.gov.uk/our-support/our-improvement-offer/care-and-health-improvement/health-and-wellbeing-systems/support

¹ <https://www.local.gov.uk/stepping-place-integration-self-assessment-tool>

Financial integration tool

1. Shared financial leadership: the financial system leadership values and behaviour needed for integration

To what extent do finance leaders:	Comments
Ensure a mutual understanding of each organisation's agendas, financial plans, pressures and risks with an open book approach?	
Demonstrate a willingness to think in terms of the whole system, and be bound by whole system decisions, eg do some organisations regularly veto decisions which are not favourable to them?	
Meet each other regularly, and take steps to build relationships through substantive strategic discussions – rather than just to deal with operational issues, and trust each other enough to conduct 'honest conversations' as necessary?	
Take active steps to set the expectation of collaborative relationships and joint purpose between finance teams across the system, and have mechanisms in place to ensure effective communication of financial issues between organisations, including to operational finance teams?	
Receive sufficient support and encouragement from their regulators, organisations and managers to be an intrinsic part of overall system leadership?	

2. Shared commitment: the tangible commitments to integration in financial plans

To what extent do finance leaders:	Comments
Have a system-wide agreement of all the resources deployed in their area (eg place based budget/balance sheet)?	
Have a system-wide agreement of all the resources allocated to their area (eg place based consolidated budget/balance sheet)?	
Agree on the financial, as well as operational goals of service integration, ensuring the narratives for user benefits/service improvements and financial benefits are aligned?	
Have in place a system-wide medium or longer term plan which assesses possible scenarios and agrees how to address the likely gaps in capacity and resources across the whole system including workforce?	
Take a proactive, approach to assessing the business case for preventative investments for longer term sustainability?	

3 Getting it done: the financial capacity and capability to deliver the integration plan

To what extent do financial leaders:	Comments
Agree the governance for local system-wide financial working, so that the right stakeholders are involved, binding decisions can be taken, and there is clear allocation of accountability for delivery?	
Ensure agreement on appropriate populations to be served for planning and delivering the range of services covered in the plan?	
Commit sufficient finance capacity and capability into delivering the agreed plan?	
<p>Agree how to apportion the costs of change between the parties, including up-front investment? For example:</p> <ul style="list-style-type: none"> • revenue, to take the preventative action to stabilise the budget in the longer term • capital, to ensure that the systems and infrastructure are in place • revenue, to ensure there is appropriate pump priming and double running, as well change • management capacity. 	
Critically assess and agree which modern care delivery models would best improve the service, outcomes for users and financial outcomes which need to be address locally?	
Financially appraise and agree which organisational models may better support delivery of modern care delivery models? For example is an accountable care system appropriate?	
Agree an option appraisal across the system of the different financial models and mechanisms available to support integrated services eg pooled budgets, Better Care Fund, personalisation and explored/ implemented alternative contractual and payment models to facilitate whole system working?	
Support planning for the enabling infrastructure, being clear on scope of workforce, information technology and estate required to deliver the plan?	
Clearly show how agreed areas of joint activity relate to their single agency in financial plans?	

4. Shared accountability: the arrangements for accounting for system delivery of integration

To what extent do financial leaders:	Comments
Ensure that there are key shared metrics of benefits and outcomes in place to measure delivery of the plan that meet operational and finance requirements, enabling clear accountability for spending linked to delivering outcomes?	
Have clear processes for accounting to partners for system-wide progress, including against budgets, and providing stakeholders of individual organisations with reports on the progress and costs of integration activity?	
Recognise and actively manage the risks for individual organisations, taking into account the activities of partners, being clear who owns which risks in the system and what contingencies are if things do not go to plan?	
Have an effective framework for holding to account those given leadership responsibility for delivering the actions required by integration decisions?	
Agree on how to share the gain of any future savings (where these fall differentially from the costs), and on what happens if there is an over or under spend in the system?	

5. Developing the system finance function

To what extent do financial leaders:	Comments
Consider and quantify the financial skills and competencies required across all staff to support integration?	
Communicate the expected values, behaviours and technical skills they expect of teams and take action to assess strengths and weaknesses and address gaps?	
Support and develop existing teams and undertake succession planning, to ensure sustainably effective finance teams?	
Ensure finance team members understand the benefits and challenges of integration, and how these fit alongside individual organisational targets and financial objectives?	
Encourage finance staff to understand the outcomes desired from integration and support them to be business partners to non-finance colleagues?	
Ensure financial systems meet the accounting and management information requirements of the system?	



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