

M4



COSTING AS A FINANCE ENABLER

KENT AND MEDWAY NHS AND SOCIAL CARE PARTNERSHIP TRUST

SOUTH EAST, MENTAL HEALTH



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INNOVATION PROGRAMME
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THE INNOVATORS

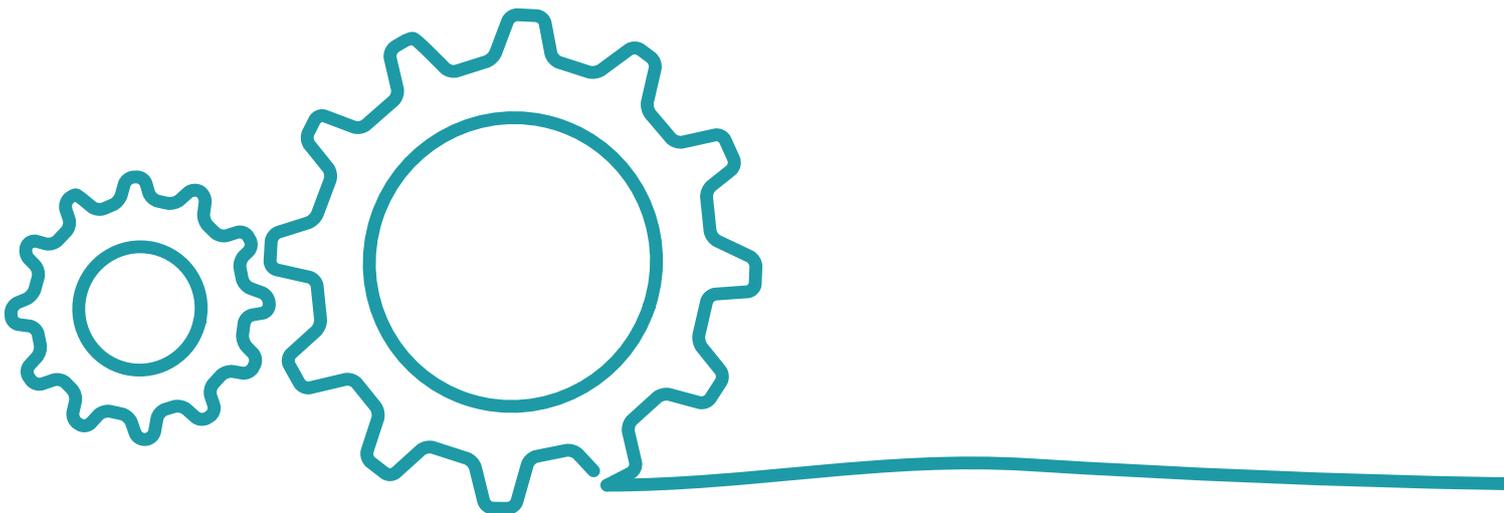
The Kent and Medway NHS and Social Care Partnership NHS Trust's costing team.

THE PROBLEM

The trust needed to better understand its cost base from a whole service perspective, otherwise it would be faced with a recurrent underlying deficit or efficiency savings would be wrongly targeted. This would have negatively impacted on the longer-term viability of the trust's services.

THE CHALLENGE

How might we understand our cost base compared to our present funding, so that we may offer a sustainable, safe service to our population?



THE INNOVATION

The trust has been reporting an underlying deficit position for some years. To enable a more rounded understanding of the drivers for this, the trust made the decision to invest resources to strengthen the costing function within the financial management team. The inclusion of the costing team within the financial management team was a key decision, ensuring it was an integral part of reporting. In doing this, the trust was able to continue the development of service level reporting (SLR) and the trust's use of the patient level costing system.

The trust has done this by incorporating costing and, in particular SLR, into the finance reporting process. This has allowed the costing team to complete a trust-wide approach of deep diving service lines to understand the underlying deficit at commissioner and service level. This has been instrumental in enabling the care groups to identify services contributing to the underlying deficit, which has assisted in signposting areas which are considered for potential efficiency schemes.

As part of the deep dive, each care group has received a pack which clearly demonstrates the difference between cost and funded envelope for each service, which in turn has then been taken forward to form a care group action plan. This has prompted service reviews to understand the capacity, waiting lists and achievement of key performance metrics; as well as ensuring the required establishment is in place to run a safe and high-quality service.

This has been a continual process, with our understanding improving all the time and data being continually refined to ensure it represents what is taking place operationally and therefore enabling effective decision making for the services going forward.

For this process to be successful there has had to be partnership working between the finance and clinical teams where teams were trusting, willing to contribute and also receptive of the challenge that the discussion brought. This was particularly true when operational pressures and practices were queried. We were very fortunate to have good engagement with the care groups, enabling the trust to make progress in tackling its underlying deficit.

We have supported this approach with wider benchmarking being undertaken on prices to enable commissioner conversations where service funding is below the level required.

THE LESSONS LEARNT

We have undertaken the deep dive at a large scale which was necessary to tackle the underlying deficit, but it is a large project to manage in one go. If we were implementing again, we would look to develop our approach working with one service as a change champion.

We learnt to ensure that we engaged early and ensure the stakeholders are confident that the finance team are there to support and move forward with the care group.

THE OUTPUTS

The outputs are:

- SLR deep dive for the whole organisation acting as a signpost for potential efficiency
- better relationships with the service (greater transparency, trust and understanding on both sides)
- service line action plans.

THE OUTCOMES

The outcomes are:

- reduced deficit
- improved commissioner relationship through open book working
- improved understanding of the whole business.

THE QUICK WINS

Engage with the operational side of the service early on, this allows:

- transparency and ultimately confidence in the process
- the development of finance understanding as soon as possible.

THE REVIEWERS SAID

“GOOD EXAMPLE OF WHERE THE FINANCE TEAM HAVE ENABLED A WIDER ORGANISATIONAL SOLUTION, THROUGH THE PROVISION OF FINANCE INTELLIGENCE TO SUPPORT SOLUTIONS.”

“THIS INNOVATION IS WORTHY OF RECOGNITION AS IT HAS ADDRESSED THE PROBLEM IDENTIFIED AND ALSO BEEN SHARED WIDER WITH COMMISSIONERS TO PROVIDE A TRANSPARENT VIEW OF THE COSTS VERSUS INCOME WHICH CAN LEAD TO IMPROVED DATA DRIVEN DECISIONS.”

“A GREAT PIECE OF WORK THAT CAN BE IMPLEMENTED AT OTHER TRUSTS.”



WHAT YOU CAN DO NOW

SUBMIT INNOVATION

If you recognise the problem stated and have implemented your own innovation to overcome it please submit this innovation to the programme and give others more examples to learn from.

REGISTER INTEREST

If you recognise the problem stated and would like to know more details about this innovation in particular, we will be hosting showcase and workshop sessions throughout the year, so all interested staff can gain ideas and inspiration from innovators in a manageable one-to-many format.

SUBMIT PROBLEM

If you have a problem but don't currently know of a solution to it, then please submit it here and in 2022 the Forum intends to crowdsource solutions to problems that don't currently have known innovations.

LEARN MORE

If you would like to learn more about about the innovation programme please click for more details.

ENDORSEMENT DISCLAIMER

The Finance Innovation Forum's Innovation Programme asks NHS Finance peer reviewers whether the "Innovation overcomes, successfully addresses, or solves the problem identified". The programme does not endorse, recommend or provide any assurance of software used or mentioned in any of the published innovations. If you think a published innovation is being used to falsely validate a commercial product or company please contact finance.innovation@nhs.net



WHAT ARE WE DOING

- A national Innovation Programme for NHS Finance staff to submit their innovations for peer review. Successful innovations will be published and accessible to all on the One NHS Finance website
- Software Skills is a network of likeminded NHS Finance staff which exists to help its members see what's possible when using accessible software to its full potential.
- An 'Art of the Possible' briefing which explains two new technologies AI & Blockchain and discusses the opportunity for NHS Finance
- We helped develop a Provider Finance Return (PFR) Automation Project tool, to save NHS Finance teams excessive manual time in their monthly returns.

WHAT YOU CAN DO NOW

- Submit your innovations for peer review
- Sign up to be an innovation peer reviewer
- Share you problems and ideas with us
- Join the Software Skills network
- Register your interest in R&D and automation

**Innovation
Programme**

**Software
Skills**

**Automation
sign up**

**Be a peer
reviewer**

**Art of the
Possible**



FURTHER INFORMATION

Website: FinanceInnovation.nhs.uk

Email: FinanceInnovation@nhs.uk

LinkedIn: [One NHS Finance](#)

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One NHS Finance brings together the Future-Focused Finance, National Finance Academy, and the Finance Innovation Forum programmes and networks to make sure that everyone working in NHS Finance has access to skills, knowledge, methods, and opportunities to influence and enhance patient services.



An NHS Finance platform for the discovery and development of problems, ideas and innovations.