



Lancashire &  
South Cumbria  
NHS Foundation Trust

# Finance Enabling Strategy



We are  
LSCft

## Contents

1	Foreword
2	Context
3	Trust Strategic Framework
4	Developing the Enabling Strategy <ul style="list-style-type: none"><li>○ Where are we now</li><li>○ Co-production</li></ul>
5	Enabling Priorities <ul style="list-style-type: none"><li>○ Next steps</li></ul>
6	Equality Assurance

## Page

3
6
9
13
14
15
16
33
35



# 1

## Foreword





# Foreword

**We are very pleased to share with you the Finance Enabling Strategy which sets out our priorities to deliver the Trust's Vision over the next five years April 2021 to March 2026.**

Lancashire and South Cumbria NHS Foundation Trust will ensure long term financial sustainability of its services by ensuring best value for money and maximising its investment potential and available resources. We take pride in delivering efficiencies by taking a transformative approach to our cost improvement programmes.

The Finance Department has a strong track record of delivery, value for money, flexibility and responsiveness to the needs of its customers, both internal and external. It is a values driven department, populated by capable, committed and well-motivated staff, which prides itself on its performance, working practices and professionalism.

There are approximately 80 staff within the department, dealing with c£430m of income and expenditure. The department has two main separate, but complementary audiences. The first is the Trust and the demands of delivering a strategy and service which supports the Clinical Services Strategy and facilitates its delivery. The second is a duty of protecting the public purse, which implies a degree of independence to ensure probity, oversight and challenge of decisions on the use of resources and to report and appropriately account for the financial dealings of the organisation in line with generally accepted accounting principles.





This strategy sets out the Trust's five year financial plan with the intention of ensuring long-term financial sustainability of services by ensuring best value for money and maximising investment potential and available resources.

The six key priorities identified in the strategy include: maintaining long-term healthy finances; maximising resources for our population; driving quality improvement; protecting the public purse; system sustainability and ensuring a fit for purpose function. These are designed to enable the Trust's strategic priorities and clinical strategic priorities to be realised. The Finance Strategy sets out how the department supports the Trust Strategy and clinical direction and ensures investment decisions are driven by our Clinical Services Strategy. It is aligned to the People, Improvement and Culture Strategy to support recruitment and retention requirements, and the Estates Strategy to ensure capital developments support high quality clinical delivery in a sustainable way.

*Sam Proffitt*  
Chief Finance Officer

**The Trust will ensure long term financial sustainability of its services by ensuring best value for money and maximising its investment potential and resources available**

# 2

## Context





# National context

**In addition to stating our financial ambitions it is imperative that this strategy reflects the priorities outlined nationally for the NHS and care sector.**

Principal among these priorities are the **NHS Long Term Plan** and the national direction in relation to collaborative ways of working with partners across systems.

- **Integrating Care** signals a changing financial regime and lays out how NHS finance will increasingly be organised at system level, putting allocative decisions in the hands of local leaders. This will include clear system resource allocations as well as incentives for system performance.
- Services will be integrated at the 'place' level and new powers will make it easier to form joint budgets with local authorities, including for public health functions.
- The **NHS Long Term Plan** provided renewed commitment to pursue an ambitious transformation of mental health care and the **Mental Health Implementation Plan** provides the framework to ensure we deliver on this commitment at the system level.
- The **Transforming Care** programme aims to improve the lives of people with a learning disability; part of this involves us eliminating care which is 'out of area'.
- Nationally, technology advancements will continue to support our aspirations through increased automation and artificial intelligence.



# Local context

## **Our local health and care system, Healthier Lancashire and South Cumbria, is fundamental to our strategic thinking.**

- The Lancashire & South Cumbria Integrated Care System (ICS) is a partnership of NHS, local authority, other public sector organisations, and the voluntary sector, working together to join up health and care services
- The ICS has set out an ambitious vision, working together to support healthier local communities, in which people will have the best start in life so that they can live and age well
- The ICS recognises there is a clear case for change across a range of areas. These include the need to
  - Improve the health and wellbeing of our communities and address health inequalities
  - Deliver better, joined up care, closer to home
  - Deliver safe and sustainable, high quality services
- We also recognise the need for future system efficiencies to eliminate system financial deficit and to cease spending more money than is received from government
- Areas of historic underfunding in services needs to be addressed, using national benchmarks
- A common strategic narrative has been developed to support the continued development of place-based leadership and collaboration



# 3

## Trust Strategic Framework





# Enabling Strategy

The Finance Strategy is a key enabler to developing the capability and capacity to deliver the vision, values and strategic priorities outlined in our Trust Strategy.



# Our Vision

To support our local communities by excelling in everything we do, together

Together our staff, service users, carers and partners will experience a culture of compassion and inclusivity, making LSCFT a place where we can all thrive and feel proud. Our values and behaviours are the principles that guide all that we do every day

## Our Values

**We are Kind**      **We are Respectful**      **We are Always Learning**      **We are a Team**

## Our Quality Priorities

**SPPA**

## Our Strategic Objectives

- 1**  
 We will put **service users** at the heart of all we do, supporting effective care, recovery and wellbeing
- 2**  
 We will employ and retain the best **staff** because our work culture will be inclusive and a supportive place to work
- 3**  
 We will deliver **safe** care and we will embrace an open and learning culture, ensuring we continually improve
- 4**  
 We will respond to people's needs by striving for the highest **standards** of quality, proactively reducing health inequalities
- 5**  
 In order to support our local communities by excelling at everything we do together, we will always collaborate with our **system** partners
- 6**  
 We will provide **sustainable** services that are delivered in an effective and efficient way, at the time people need it

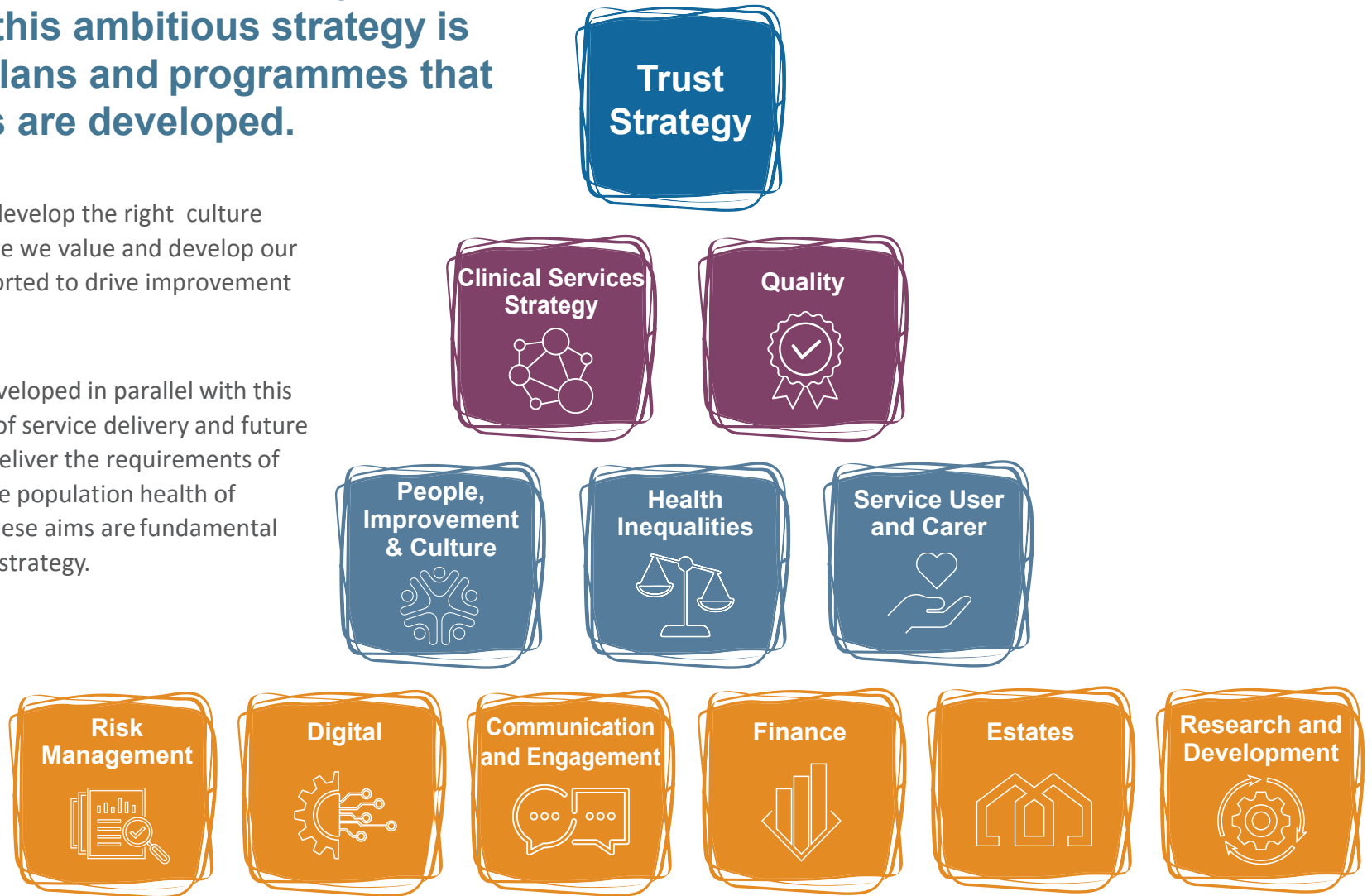
# Our services

It is critical that the required capability and capacity to deliver this ambitious strategy is identified and the plans and programmes that will ensure success are developed.

Key to this will be to continue to develop the right culture across the organisation, one where we value and develop our staff and in which they feel supported to drive improvement and innovation.

The Finance Strategy has been developed in parallel with this Trust-wide strategy as the model of service delivery and future developments. The strategy will deliver the requirements of the national plans and improve the population health of Lancashire and South Cumbria. These aims are fundamental and should be at the heart of this strategy.

Through our strategy development, we have identified a number of key areas in which we will need to continue to develop our capacity and capability in order to realise our strategic ambitions and reach our vision. They are highlighted right.



# 4

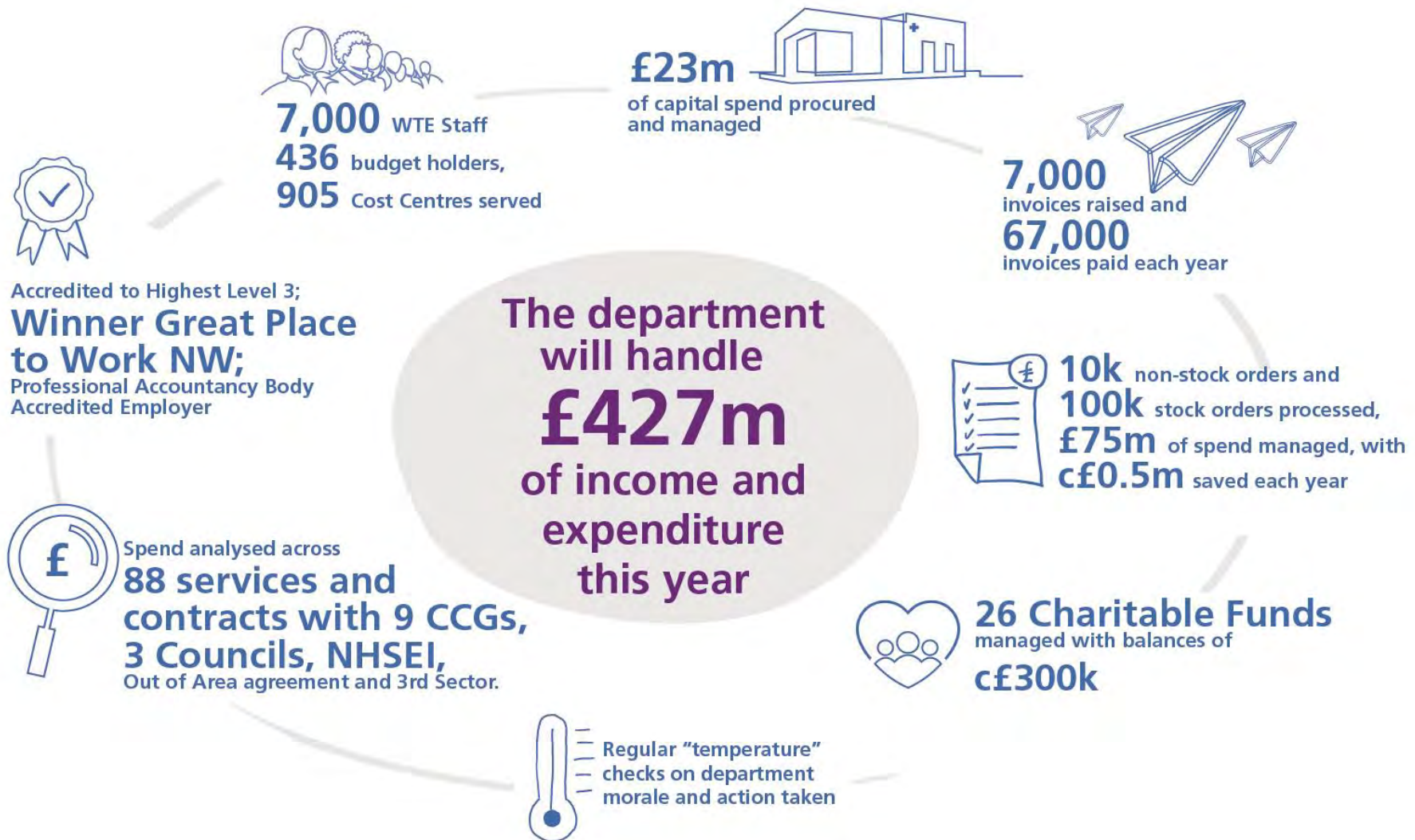
## Developing the Enabling Strategy





# Where are we now

The Finance Department covers a range of specialist areas, each offering a high quality service to support the Trust to reach its strategic objectives.





# Coproduction: engaging with our stakeholders

**We have undertaken a range of engagement activities with all our stakeholders to support development of our Finance Strategy.**

We commissioned *Healthwatch Together* to hold conversations with **our service users and their carers** about their experiences in using our services to inform our strategy development.

The Trust's Equality and Diversity Lead has conducted an Equality Impact Assessment for the Finance Strategy to ensure that we put equality, inclusion and human rights at the centre of the design and delivery of inclusive services for the **diverse communities** we serve.

We held virtual engagement sessions with our **staff**, who voiced some key points in relation to ensuring enough financial resource to support recruitment and retention, and working effectively with our system partners for the best outcomes for our population.

We presented our strategic thinking to **system partners** in each place, and they have told us that they are supportive of our strategic ambitions.

Our **Executive Directors** have considered our Finance Strategy and they are keen to secure the appropriate level of revenue and capital investment to continue to transform our services.

With our **Board** we have considered our strategic approach to maintaining long-term healthy finances for the Trust.

# 5

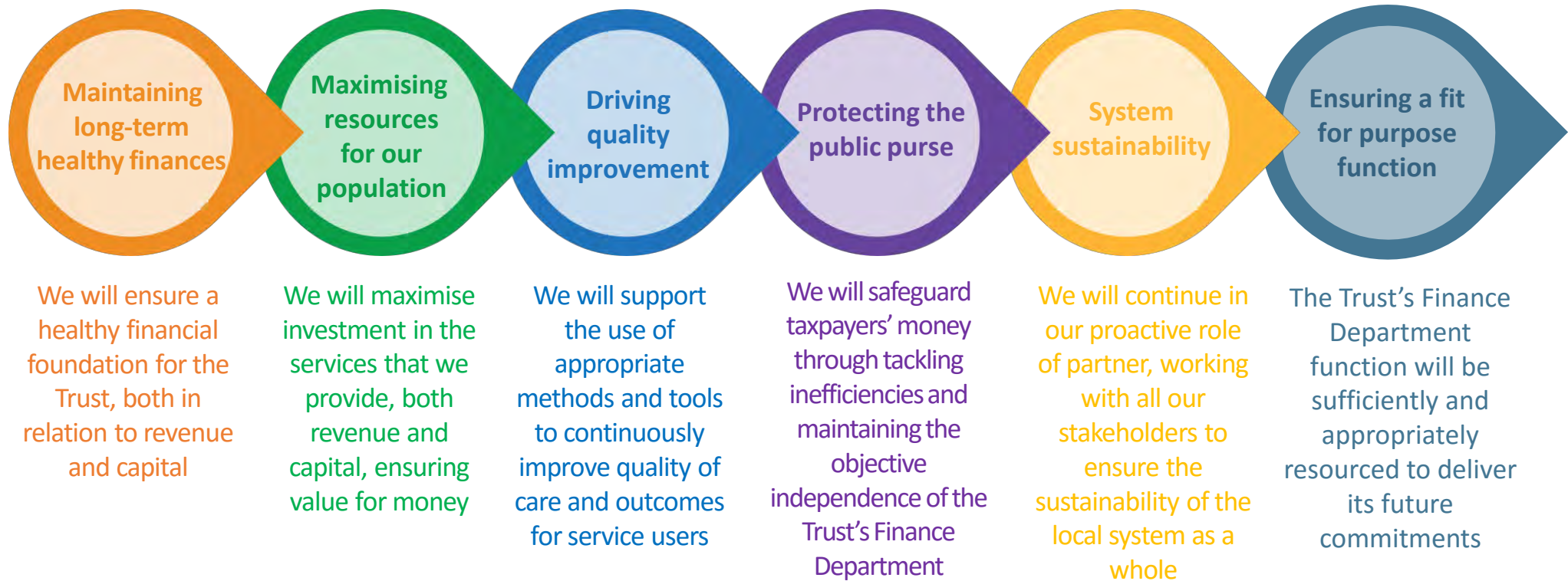
## Enabling Priorities





# Our Enabling Priorities

Our Finance Strategy outlines our commitment to the long-term financial sustainability of services, ensuring best value for money and maximising investment potential for the benefit of the people who use our services.





# Summary

Priority	Aim	Area of focus	Measuring success
<p><b>Maintaining long-term healthy finances</b></p>	<p>We will ensure a healthy financial foundation for the Trust, both in relation to revenue and capital.</p>	<ul style="list-style-type: none"> <li>• Generate a level of surplus to ensure the essential capital programme is maintained and there is sufficient funding to finance capital debt commitments</li> <li>• Ensure essential backlog maintenance and core quality capital requirements are prioritised and met from internally generated cash and any new developments beyond internal cash is sourced externally</li> <li>• Control agency spend</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a minimum level of 'Good' (Level 2) against the <i>Use of Resources</i> measure</li> <li>• Remain on plan for both revenue and capital investment</li> <li>• Bring agency expenditure in line with planned spend set nationally</li> </ul>
<p><b>Maximising resources for our population</b></p>	<p>We will maximise investment in the services that we provide, both revenue and capital, ensuring value for money.</p>	<ul style="list-style-type: none"> <li>• Report on the financial profit and loss of all contracts</li> <li>• Review all financial proposals to ensure value for money and efficiency</li> <li>• Eliminate cross-subsidy over time</li> <li>• Undertake annual use of resources and value for money reviews</li> <li>• Maximise investment, both revenue and capital</li> <li>• Proactively seek opportunities for capital investment to support the Digital and Estates Strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Track system investment in the Mental Health Investment Standard</li> <li>• The Trust will secure the appropriate share of commissioner resource</li> <li>• Contractual cross-subsidisation will be eliminated over the life of this strategy</li> <li>• Regular service line reports will facilitate review of economy, efficiency and efficacy</li> <li>• Benchmarking reports will allow comparative reviews with peers for clinical and non-clinical functions</li> </ul>



# Summary

Priority	Aim	Area of focus	Measuring success
<b>Driving quality improvement</b>	We will support the use of appropriate methods and tools to continuously improve quality of care and outcomes for service users.	<ul style="list-style-type: none"> <li>• Delivering quality services and getting it right first time will be efficient</li> <li>• A commitment to deliver best value not cheapest cost to support long-term sustainability</li> <li>• Learn lessons from previous projects to improve future processes</li> </ul>	<ul style="list-style-type: none"> <li>• All transformation and savings plans will have a clearly documented, robust Quality Impact Assessment and Equality Impact Assessment, agreed by all relevant parties</li> </ul>
<b>Protecting the public purse</b>	We will safeguard taxpayers' money through tackling inefficiencies and maintaining the objective independence of the Trust's Finance Department.	<ul style="list-style-type: none"> <li>• Routinely, where available, use benchmarks to ensure the best value for money and drive out inefficiency</li> <li>• Policies and procedures in place which safeguard funds and report non-compliance</li> <li>• Ensure the appropriate control environments are maintained with regard to financial management and governance</li> <li>• Ensure there is appropriate oversight and review of all financial, contractual and procurement issues</li> </ul>	<ul style="list-style-type: none"> <li>• Contracts will be procured in line with legal regulations with the maximum benefit extracted</li> <li>• Finance Department will fulfil its statutory obligations, provide contractual and legal advice in line with best practice, and deliver accurate and assured reports and returns to all stakeholders</li> </ul>

# Summary

Priority	Aim	Area of focus	Measuring success
<b>System sustainability</b>	We will continue in our proactive role of partner, working with all our stakeholders to ensure the sustainability of the local system as a whole.	<ul style="list-style-type: none"> <li>• Continue to align to system working</li> <li>• Recognise our position as part of the ICS and work together with partners to benefit our population</li> <li>• Anticipate needs and strategic direction</li> </ul>	<ul style="list-style-type: none"> <li>• There will be appropriate distribution of budgets to provider(s) and places within a clear financial framework that articulates roles and responsibilities</li> </ul>
<b>Ensuring a fit for purpose function</b>	The Trust's Finance Department function will be sufficiently and appropriately resourced to deliver its future commitments.	<ul style="list-style-type: none"> <li>• A business partnering approach will deliver support and insights to operational areas of the Trust</li> <li>• Appropriate expertise will be sourced, where needed, developed and retained</li> </ul>	<ul style="list-style-type: none"> <li>• Financial management will mirror and support the operational / clinical structure of the Trust</li> <li>• Reporting will be appropriate, timely and relevant to the customer</li> <li>• Financial knowledge and skills will be developed across the organisation</li> <li>• Accreditation for the Department will be maintained</li> </ul>



## Enabling Priority One

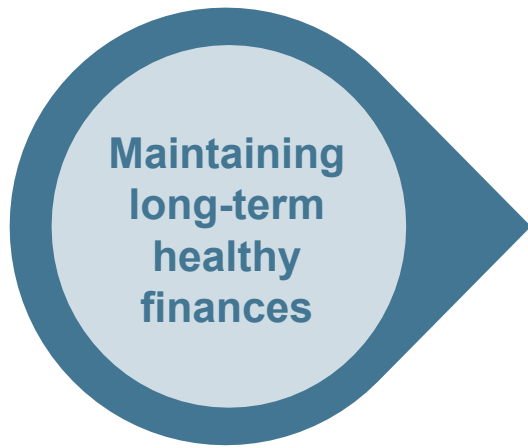
# Maintaining long-term healthy finances

## Our Pledge

We will ensure a healthy financial foundation for the Trust, both in relation to revenue and capital



Maintaining  
long-term  
healthy  
finances



# Enabling Priority One

## Key Objectives

- Routinely, where available, use benchmarks to ensure the best value for money and drive out inefficiency
- Policies and procedures in place which safeguard funds and report non-compliance
- Ensure the appropriate control environments are maintained with regard to financial management and governance
- Ensure there is appropriate oversight and review of all financial, contractual and procurement issues

## What does success look like?

- We will maintain a minimum level of 'Good' (Level 2) against the *Use of Resources* measure
- Our plans for both revenue and capital investment we will updated regularly and we will remain on track to deliver against these
- Our expenditure on agency staff will be within the limits that are set nationally

**Aligned to: Service Users and Staff**



## Enabling Priority Two

# Maximising resources for our population

### Our Pledge

We will maximise investment in the services that we provide, both revenue and capital, ensuring value for money



Maximising  
resources  
for our  
population



# Enabling Priority Two

## Key Objectives

- Report on the financial profit and loss of all contracts
- Review all financial proposals to ensure value for money and efficiency
- Eliminate cross-subsidy over time
- Undertake annual use of resources and value for money reviews
- Maximise investment, both revenue and capital
- Proactively seek opportunities for capital investment to support the Digital and Estates Strategies

## What does success look like?

- Track system investment in the Mental Health Investment Standard
- The Trust will secure the appropriate share of commissioner resource
- Contractual cross-subsidisation will be eliminated over the life of this strategy
- Regular service line reports will facilitate review of economy, efficiency and efficacy
- Benchmarking reports will allow comparative reviews with peers for clinical and non-clinical functions

**Aligned to: Service Users & Sustainable**





## Enabling Priority Three

# Driving quality improvement

## Our Pledge

We will support the use of appropriate methods and tools to continuously improve quality of care and outcomes for service users



Driving  
quality  
improvement



# Enabling Priority Three

## Key Objectives

- Delivering quality services and getting it right first time will be efficient
- A commitment to deliver best value not cheapest cost to support long-term sustainability
- Learn lessons from previous projects to improve future processes

## What does success look like?

- All transformation and savings plans will have a clearly documented, robust Quality Impact Assessment and Equality Impact Assessment, agreed by all relevant parties



## Enabling Priority Four

# Protecting the public purse

## Our Pledge

We will safeguard taxpayers' money through tackling inefficiencies and maintaining the objective independence of the Trust's Finance Department



Protecting the  
public purse



# Enabling Priority Four

## Key Objectives

- Routinely, where available, use benchmarks to ensure the best value for money and drive out inefficiency
- Policies and procedures in place which safeguard funds and report non-compliance
- Ensure the appropriate control environments are maintained with regard to financial management and governance
- Ensure there is appropriate oversight and review of all financial, contractual and procurement issues

## What does success look like?

- Contracts will be procured in line with legal regulations with the maximum benefit extracted
- Finance Department will fulfil its statutory obligations, provide contractual and legal advice in line with best practice, and deliver accurate and assured reports and returns to all stakeholders



## Enabling Priority Five

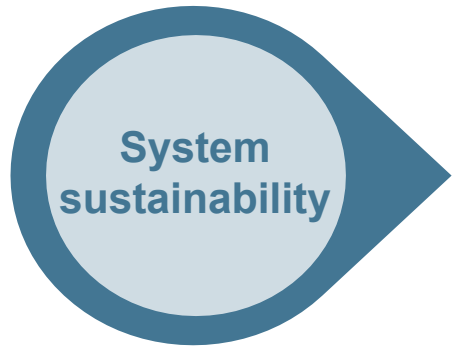
# System sustainability

### Our Pledge

We will continue in our proactive role of partner, working with all our stakeholders to ensure the sustainability of the local system as a whole



System  
sustainability



# Enabling Priority Five

## Key Objectives

- Continue to align to system working
- Recognise our position as part of the ICS and work together with partners to benefit our population
- Anticipate needs and strategic direction

## What does success look like?

- There will be appropriate distribution of budgets to provider(s) and places within a clear financial framework that articulates roles and responsibilities

**Aligned to: Sustainable**



## Enabling Priority Six

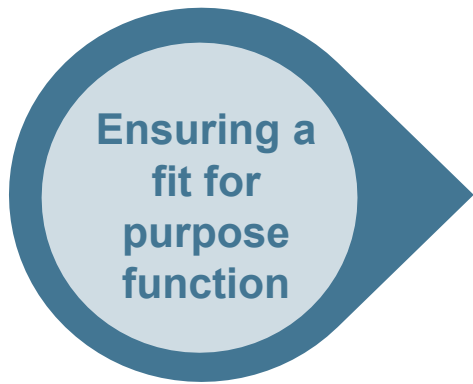
# Ensuring a fit for purpose function

### Our Pledge

The Trust's Finance Department function will be sufficiently and appropriately resourced to deliver its future commitments

A white callout bubble with a circular top and a pointed right side, containing the text 'Ensuring a fit for purpose function'.

Ensuring a  
fit for  
purpose  
function



# Enabling Priority Six

## Key Objectives

- A business partnering approach will deliver support and insights to operational areas of the Trust
- Appropriate expertise will be sourced, where needed, developed and retained

## What does success look like?

- Financial management will mirror and support the operational / clinical structure of the Trust
- Reporting will be appropriate, timely and relevant to the customer
- Financial knowledge and skills will be developed across the organisation
- Accreditation for the Department will be maintained

**Aligned to: Staff & Sustainable**





# Next steps

## **We realise that developing this strategy is only the first step in realising our ambitions.**

In order to turn these ambitions into reality we will work with colleagues and stakeholders to develop plans to describe the annual objectives needed to achieve the Enabling Priorities of the Finance Strategy. These annual plans will not only provide clear direction for staff across the Trust, but also will come together and join with partner plans in each place, supported by our new locality delivery model.

We have already identified our overall Finance Strategy Enabling Priorities and measures of success, which provide a focus for our efforts and resources. We have also aligned our Priorities with the overall strategic direction of the Trust and key national and local drivers of change. We will clearly articulate interdependencies across all these areas to ensure that the Enabling Priorities of the Finance Strategy are embedded and provide a solid foundation to support the delivery of high quality care for the people we serve.

# 6

## Equality Assurance





# Equality Assurance

## Equality Impact Assessment

*LSCft puts equality, inclusion, and human rights at the centre of the design and delivery of inclusive services for the diverse communities we serve, and the empowering culture we create for our staff.*

*The legal case is set out in the Equality Act 2010 and the practice is embodied by our staff every day, without exception. We are stronger together.*

## Potential Impact

Multiple listening and engagement sessions across networks, localities, and among protected characteristics groups has enabled the Finance strategy team to gather quantitative as well as qualitative data and experiences to help shape the Trust's commitment to become a great and safe place to work and learn. The work with the Trust's Staff Networks and analysis of WRES, WDES and gender pay gap data, as well as employee relations cases has identified ways in which the Trust can improve its approach to attract, recruit and develop a talented and diverse workforce in line with the NHS People Plan which calls for a culture of inclusion and belonging.



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**For more information of accessible formats  
please contact [communications@lscft.nhs.uk](mailto:communications@lscft.nhs.uk)**

