

## Value at the heart of new NHS conversations

Mark Redhead

At the time of writing we have just come back from the annual conference of the Healthcare Financial Management Association (HFMA) and are waiting for the detail of the 2016-17 NHS planning guidance, which will set the tone of our activities for the next year and beyond. We would be surprised if value didn't feature in this year's guidance; we see value as an obvious organising principle and mindset that can help the NHS approach and deliver on the challenges it has been set – particularly in respect of transformation and sustainability.

At the HFMA event, Paul Baumann, Chief Finance Officer for NHS England and sponsor of the future-focused finance Best Possible Value programme, spoke about the importance of value as a narrative for meeting current health service priorities. He outlined four themes which can help the NHS transform, all of which have value at their centre, namely:

1. Eliminating variation and waste
2. Allocating resources based on the return on investment
3. Innovating from a dynamic evidence base
4. Adopting business models that optimise value

A growing programme of support and resources is being put behind the achievement of these value-based themes. There are Lord Carter's efficiency metrics and benchmarking (in which our organisation, the Royal Free London NHS Foundation Trust, participated); adopting NHS Right Care as a means to address variation through commissioning; the tools and resources developed by Future-Focused Finance (FFF) (described below); and the central use of value to evaluate and support the success of a series of new care models being piloted by 50 vanguard sites across the country (again, our organisation is a participant site, testing the development of a group or chain model).

Potentially the new care models being pursued through the vanguard programme deliver on all four of the value-based themes. Each has to set out a 'value proposition' outlining how the model intends to deliver on improved patient outcomes, experience and safety for the resource expended. Central support for the models will be determined in part by the extent to which these outcomes are being achieved and how replicable they are for other parts of the system.

The value propositions and their evaluation will help identify the approaches and models that are delivering the best possible value for patients and the taxpayer. However, the use of value as a prioritisation tool for investment in the vanguards began life as part of the FFF's Best Possible Value programme, where we use value and associated metrics as a means to underpin improved decision effectiveness in the NHS – and anyone can use the framework we have developed.

The FFF decision-effectiveness framework provides a means of putting sound governance around decision-making, so there is clarity around the question actually being addressed, and the roles that different stakeholders will have in taking the initiative forward. The framework adds value to both the process and content of decision-making, and enables choices and trade-offs to be made from a commonly articulated evidence base founded in agreed value-based metrics.

It is the clarity and common currency provided by value-based approaches which we think lends itself to system-wide planning. As the finances get tougher and the imperative to improve quality gets stronger, a common understanding between providers and commissioners on what will deliver the most significant impact, and how this will be measured and evaluated, is critical. Value can start the necessary conversations that will result in strong local plans for long-term sustainability through making the right investment choices.

Over the last year the FFF team has been working to provide resources that will help staff apply value practically in their organisations and more widely. A full microsite of guides, templates, videos and other training materials has been produced. Do take a look and let us know what you think.

But you can start putting value into what you do right now – at the next meeting you attend, ask ‘what are we here to decide?’, ‘who will be making the actual decision?’, and ‘how will we know it is the best use of resources?’ to start the value-based transformation we need.

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