

Unit 14: Managing Financial Resources in Health and Social Care

Unit code: R/601/1615

QCF level: 4

Credit value: 15

- **Aim**

The aim of the unit is to enable the health and social care manager to develop understanding of how to control their expenditure against fixed budgets.

- **Unit abstract**

This unit will equip the health and social care manager with the knowledge and understanding needed to monitor costs, make predictions, evaluate the process of effective control of resource allocation, including shortfalls, and make recommendations for expenditure. Most importantly, it will emphasise the key factors of both efficiency and effectiveness.

Health and social care managers need to understand the role of planning in the management of financial budgets and the importance of monitoring and managing expenditure. This unit is most appropriate for those who hold responsibilities for managing budgets in a health or social care workplace or who have access to financial information and processes within an organisation. The unit is designed to develop knowledge, skills and understanding in the key areas and covers how systems and processes for managing financial resources influence a specific service for individuals.

- **Learning outcomes**

On successful completion of this unit a learner will:

- 1 Understand how systems are used to manage financial resources in health and social care
- 2 Understand the role of planning in the management of health and social care budgets
- 3 Understand the importance of monitoring budget expenditure in health and social care organisations
- 4 Understand how systems and processes for managing financial resources influence health and social care services.

Unit content

1 Understand how systems are used to manage financial resources in health and social care

Costing and business control systems: costs, income, cost-benefit analysis, expenditure, budget, capital, cost control, cost centre; outsourcing, competitive tendering, forecasting, profit, break even; basic software for monitoring financial information within an organisation

Information: business costs eg people, equipment, finance, buildings, consumable items, administration; income streams; trends and external influences eg changes in policy, competitive factors, legal requirements

Regulatory requirements: legislation and codes of practice, audit, accountability, policies

Systems: sources of income, how budgets are set, administration of budgets, cost centres, accountabilities, audit requirements

2 Understand the role of planning in the management of health and social care budgets

Diverse sources of income: public, private, voluntary; local, national

Influences on resource availability: funding priorities, agency objectives and policies, private finance, outsourcing, inter-agency partnerships, government policies, geography, type of service

Types of budget: cost centre, project management, outsourcing contract

Decisions about expenditure: environmental analysis, accountabilities, priorities, short-, medium- and long-term planning; cost-benefit analysis; financial risk, project management

3 Understand the importance of monitoring budget expenditure in health and social care organisations

Information for monitoring expenditure: cash flow, controlling costs, spreadsheet data, training needs

Financial shortfalls: priorities, virement, reserve funds, alternative external income sources; implications for individuals within the service

Suspected fraud: analysing financial information for reliability, validity and sufficiency; reporting, evidence of fraud

4 **Understand how systems and processes for managing financial resources influence health and social care services**

Financial decisions: responsibility for decision making, information available, sources of income, priorities etc

Relationship between service delivery, costs and expenditure: cost-benefit, pricing policies, purchasing arrangements

Impact on individuals: quality of service, access to service

Recommendations: options available, supporting evidence, information to be presented for discussion by financial decision makers

Learning outcomes and assessment criteria

Learning outcomes On successful completion of this unit a learner will:	Assessment criteria for pass The learner can:
LO1 Understand how systems are used to manage financial resources in health and social care	1.1 explain the principles of costing and business control systems 1.2 identify information needed to manage financial resources 1.3 explain the regulatory requirements for managing financial resources 1.4 evaluate systems for managing financial resources in a health or care organisation
LO2 Understand the role of planning in the management of health and social care budgets	2.1 discuss the diverse sources of income that may be encountered in health and social care 2.2 analyse the factors that may influence the availability of financial resources in health and social care organisations 2.3 review different types of budget expenditure in health and social care organisations 2.4 evaluate how decisions about expenditure are made within a health or social care organisation
LO3 Understand the importance of monitoring budget expenditure in health and social care organisations	3.1 explain how financial shortfalls can be managed 3.2 explain the actions to be taken in the event of suspected fraud 3.3 evaluate budget monitoring arrangements in a health or social care organisation
LO4 Understand how systems and processes for managing financial resources influence health and social care services.	4.1 identify information required to make financial decisions relating to a health and social care service 4.2 analyse the relationship between a health and social care service delivered, costs and expenditure 4.3 evaluate how financial considerations impact upon an individual using the health and social care service 4.4 suggest ways to improve the health and social care service through changes to financial systems and processes.

Guidance

Links

This unit has links with, for example:

- *Unit 13: Managing Human Resources in Health and Social Care*
- *Unit 27: Managing Quality in Health and Social Care.*

This unit also has links with the National Occupational Standards in Health and Social Care. See *Annexe B* for mapping.

This unit also has links with the National Occupational Standards in Leadership and Management for Care Services. See *Annexe C* for mapping.

Essential requirements

It will be necessary for tutors to advise learners about the scale of service to be investigated for learning outcome 4. The service will encompass several cost centres but, for a large organisation, must focus on an appropriate local dimension sufficient to enable learners to meet the requirements of the unit.

Employer engagement and vocational contexts

Learners will benefit from discussion of different systems and practices within their experience in health and social care. It will be necessary to draw on information from health and social care organisations in order to meet the assessment criteria.