



NHS

Professionals

Annual Review 2012



Providing people who care for people

NHS Professionals provides locum doctors, nurses, allied health professionals, administrative and clerical workers and other supporting staff groups as part of a managed bank service for our NHS Trust clients. We manage the placement, payment and reporting for our clients' flexible staffing needs and recruit more than 1,000 flexible workers to our bank every month, all fully compliant with NHS Employment Check Standards. In 2011/12, we filled more than 1.6 million shifts for our clients.

NHS Professionals is an integral part of the NHS and is wholly owned by the Secretary of State for Health. We operate from our headquarters in Watford, Hertfordshire, supported by a small finance team located in Tingley, Yorkshire as well as a client relations team based both remotely and on-site at client Trusts around the country.

Our promise

“We promise to deliver our managed flexible worker services for best value, compared with an in-house solution. Our clients also benefit from our expertise in driving down flexible staffing costs by:

- reducing demand through superior processes and controls
- reducing agency staff use
- optimising pay rates
- providing guaranteed savings in employer-related on-costs

Trusts can be confident that our flexible staff are fit for their needs, as we take full responsibility for their mandatory training and clinical governance.”

Stephen Dangerfield

Chief Executive

Our proposition is clear. NHS Professionals enables Trusts to plan their workforce requirements efficiently and cost-effectively. We give our clients accurate insight, to help them understand, measure and control their demand for additional hours, and to manage the natural fluctuations in their substantive workforce. We provide the right people, with the right skills to fill those requirements safely and cost-effectively. As part of the NHS, we share common values with the Trusts we serve.

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NHS Professionals in brief

NHS Professionals is the leading provider of managed flexible workforce services to the NHS with approximately 40,000 general and specialist nurses, doctors, midwives, administration and clerical and other healthcare professionals signed to its bank.

Our national coverage



NHS Professionals works with Trusts across England

- 1 East of England
- 2 London
- 3 South East coast
- 4 South Central
- 5 South West
- 6 West Midlands
- 7 East Midlands
- 8 Yorkshire and the Humber
- 9 North West
- 10 North East

We help our 66 NHS Trust clients implement tactical measures to improve workforce efficiency and productivity as part of an overall workforce strategy. Our aim is to save Trusts up to 20% of their flexible workforce costs by reducing shift demand, optimising pay rates and managing agency usage.

Our strategy

NHS Professionals aims to drive growth by:

- expanding the range of services we provide to our existing clients
- increasing our client base by winning new clients
- diversifying our income streams by developing new services

We will continue to evolve the NHS Professionals managed service, encompassing our people, processes and technology. This will help us to increase bank shift volumes and our shift fill rate for our clients.

Key facts

66

66 NHS Trust clients

40,000

more than 40,000 flexible workers

25%

25% of the acute market and 24% of mental health

1,000

flexible workers recruited each month

Our history

November 2000

NHS Professionals (NHSP) was created by the Department of Health (DH) to provide a national service managing the supply of temporary staff to local NHS organisations. Its primary aim is

to improve the quality of patient care by professional management of the temporary workforce and by setting common standards for quality and clinical governance. In achieving this,

NHS Professionals also aims to provide better value for money for NHS Trusts, and attractive work arrangements for staff wishing to work flexibly in the NHS.

Operational and financial highlights – 2011/12

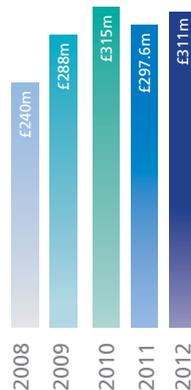
Operational

- 82% of clients would recommend the service
- successfully introduced new initiatives, including the Agency Partnership Programme, and piloted locum doctors managed service
- continued to invest in technology to benefit clients and flexible workers and to improve our efficiency
- supported clients through local, national [and international] recruitment campaigns, to manage a period of unexpected demand increase

Financial

- grew revenue by 4.5% to £311.0m
- increased surplus before tax from £0.3m to £4.4m, as a result of revenue growth and tight cost control

Turnover, £m



£370m

new business generated in 2011/12 with an annualised value of £56m, giving us an order book of approximately £370m

80%

80% of clients rate services as good or very good

January 2004	April 2010	April 2011
NHS Professionals became a Special Health Authority and commenced operations in April 2004 to lead and manage the supply of flexible staff to the NHS.	NHS Professionals has changed status to a limited company wholly owned by the Department of Health.	NHS Professionals recorded its first ever annual surplus in 2010/11 of £284k (before tax), a significant improvement on 2009/10 (£6.7m loss).

What we do and how we do it?

NHS Professionals manages the recruitment, placement and payment of our client Trusts' flexible staff, via our bank service. The staff groups we provide include nurses, locum doctors, allied health professionals, administrative and clerical workers, through to ancillary, facilities and estates staff.

“Our aim is to help Trusts deliver their Quality, Innovation, Productivity and Prevention (QIPP) objectives by deploying a cost-effective, reliable and safe contingent workforce that saves Trusts money and improves their productivity and performance.”

24/7

Online booking service

The NHSP:Online booking service allows Trusts, agencies and flexible workers to access our service securely through the web and a range of mobile devices 24/7



What we do

As part of our service, we help client Trusts to:

- identify the root causes of shift demand and reduce that demand
- reduce their cost of supply and use of expensive staffing agencies
- maximise shifts filled by the Trust's own staff, while complying with the Working Time Regulations
- select appropriate staffing agencies and manage their supply
- implement optimal standard pay bands for bank workers in each Trust
- eliminate unnecessary overtime
- meet shortfalls in supply via local recruitment to the bank.

Our aim is to help Trusts deliver their Quality, Innovation, Productivity and Prevention (QIPP) objectives by deploying a cost-effective, reliable and safe contingent workforce that saves Trusts money and improves their productivity and performance.

How we do it

Managing healthcare workers

NHS Professionals currently has more than 40,000 flexible workers registered to its bank. Through contracts of engagement, we manage all performance as well as the following:

- **National recruitment service**
NHS Professionals recruits flexible workers through an automated eRecruitment system. We track online applications at every stage of the process and interview all successful candidates face to face. The interview process includes a knowledge based assessment linked to grade and specialty which determines competency and reflects our value system for flexible workers being caring, reliable and professional.
- **Groundbreaking learning and development service**
To meet the unique challenge of providing learning and development opportunities to a geographically dispersed workforce, we offer all the statutory and mandatory training our bank workers need. We do this through a combination of our exclusive online Managed Learning Environment and practical sessions.
- **Ensuring high-quality patient care**
Quality of patient care is at the heart of everything we do. We adhere rigorously to NHS Employment Check Standards, making use of NHS and professional regulator intelligence to maintain vigilance, monitor performance and exclude unsuitable practitioners.

Service delivery to Trusts

Booking service

The NHSP:Online booking service allows Trusts, agencies and flexible workers to access our service securely through the web and a range of mobile devices 24/7. This major investment in technology supports multiple Trusts simultaneously, making it simple for Trusts and bank workers to place and select assignments directly and allowing us to focus on hard-to-fill areas.

“Being visible and available at the front line of our business is critical to supporting our clients’ objectives. Local liaison teams meet regularly with ward-level users, senior managers and Trust Directors, to ensure that our service reflects the Trust’s needs and its temporary staffing strategy.”



Client relations

We provide our Trusts and flexible workers with direct access to on-site support from a local dedicated Client Relationship Manager and Trust Liaison team.

Innovation

Managed locum service

With temporary nursing costs increasingly under control, more and more Trusts are aware of the relative lack of control in their use of locum doctors. NHS Professionals now provides a managed locum service for a number of Trusts, and is piloting services and actively consulting with others. Our managed locum service allows Trusts to maintain patient safety by improving their locum compliance assurance, while reducing their spend and use of non-approved agencies.

Agency Partnership Programme

Staffing agencies have a role to play in providing skilled and experienced professionals in hard-to-fill roles. Under the Agency Partnership Programme, NHS Professionals helps Trusts to select appropriate agencies, at the right rates. To maintain patient safety, we validate their recruitment processes to ensure that they are fully compliant with NHS Employment Check Standards. To minimise fraud we check every invoice against the timesheet and agreed rate card.

Bankshare

NHSP: *Bankshare* allows client Trusts to safely share substantively employed staff through a cluster agreement. This helps Trusts to minimise the need for staffing agencies to fill part-time, occasional or ad hoc roles.

Finance

We manage the interface with bank and agency-provided workers on behalf of Trusts. We provide a full weekly payroll service and verification of bank and agency timesheets, along with query resolution and invoice payment. New Trust clients also benefit from reduced working capital.

On-site support for clients

Being visible and available at the front line of our business is critical to supporting our clients’ objectives. Local liaison teams meet regularly with ward-level users, senior managers and Trust Directors, to ensure that our service reflects the Trust’s temporary staffing needs and its workforce strategy.

Front-line liaison teams work closely with our Support Centre to resolve any service issues quickly. They are a key contact point for our bank workers, from recruitment to placement, and are there to make sure that their “first shift” is a positive experience.

Complaints and incidents policy

When things go wrong we do our best to put them right, in a way in which we learn from the experience to prevent recurrence. Our complaints and incidents handling policy has been developed, as far as practicable, in line with best practice in the NHS. We will be open and honest with complainants, our clients and those involved in and affected by incidents that occur. We expect to address any and all dissatisfaction with our services immediately, with the intention of reaching a mutually satisfactory conclusion for everyone concerned.



Chairman's letter

I am pleased to report that NHS Professionals recorded another successful year and delivered a strong set of results. Turnover grew from £297.6m to £311.0m, an increase of 4.5%, while surplus before tax was £4.4m, up from £0.3m a year earlier.

“We continued to win new business and to expand our client base, as our ongoing service improvements were increasingly recognised by client and non-client Trusts alike, as well as by the Department of Health.”

£4.4m

Surplus before tax

£4.4m was a significant improvement on the surplus before tax in 2010/11 of £0.3m

We continued to win new business and to expand our client base, as our ongoing service improvements were increasingly recognised by client and non-client Trusts alike, as well as by the Department of Health. This has opened up new opportunities for NHS Professionals.

While we have improved the business in recent years, we know that we have further to go. The investments we are undertaking in developing our systems, for example, will deliver benefits to our clients and our flexible workers, as well as increasing our efficiency. Retaining the surplus we generate in the business gives us the resources we need to fund this programme.

Our clients are under financial pressure and we recognise that they have found it difficult to plan their shifts, which resulted in an unexpected increase in demand from last August. This presented us with a real challenge and we responded by being as flexible as possible. Local and national recruitment initiatives, targeted communications campaigns and localised incentive activities have helped us to meet each client Trust's needs.

NHS Professionals has a highly experienced management team and this continued to develop during the year. Neil Lloyd stepped down as Chief Executive in April 2011, to be replaced by Stephen Dangerfield, who was our Chief Operating Officer and had led our large-scale organisational change, systems and process improvements. Anne Challinor, whose responsibilities cover all relationships with existing clients, was appointed to the Board at the end of the previous financial year.

Finally, we could not have achieved what we have without the hard work and dedication of our staff. I want to take this opportunity to thank them on behalf of the Board.

In conclusion, NHS Professionals has performed well and has the scope to do even better. The business has a significant opportunity in front of it and we are optimistic about the future.

Robin Williams
Chairman



Highest Quality

“Quality and continuity of care are our number one priorities and the NHS Professionals’ compliance processes help reassure the Trust on its governance commitments.”

Sandra Knight
Director of HR and
Organisation Development,
Bradford District Care Trust

Our service helps clients to improve their productivity while delivering high standards of patient care. This means we pay close attention to who we recruit, adhering strictly to NHS Employment Check Standards, while carefully managing and monitoring our flexible workers’ performance and training. The result is excellent clinical governance for our clients.

Bradford District Care Trust provides mental health, community health and social care services. When the Trust reviewed its options for flexible working, it was imperative that it could ensure efficiency, quality and continuity of care.

The Trust appointed NHS Professionals to provide flexible workers in all staff groups. Within two months of implementation, we reduced its flexible working costs from £12m to a run rate of £7.8m, while engaging service users and implementing a complaints procedure to highlight less capable workers and agencies. This provided reassurance of robust governance processes and shared intelligence across the Trust to maintain standards.



Read the full case study online at: <http://www.nhsp.co.uk>



Chief Executive's foreword

Strong financial and operational performance

NHS Professionals' performance in 2011/12 demonstrates our success in building a self-sustaining and profitable business. The investment we have made in recent years in developing our systems and improving client service gives us a solid platform to deliver further growth and even better service.

"The growth in new business reflects the high level of client satisfaction we achieve. In our annual surveys, overall client satisfaction stood at 80%, and 82% of clients would recommend us to others."

80%

Client satisfaction

overall client satisfaction stood at 80%, and 82% of clients would recommend us to others

The increase in our surplus before tax, from £0.3m to £4.4m, was the result of both higher revenue and tight cost control, which meant that the Company was profitable in every month during the financial year.

We were pleased to win gross new business with an annualised value of £56m. This was a combination of work for new clients and additional staff groups for existing clients, showing that Trusts are increasingly interested in placing all of their temporary workforce requirements with a single supplier, for maximum effectiveness.

The growth in new business reflects the high level of client satisfaction we achieve. In our annual surveys, overall client satisfaction stood at 80%, and 82% of clients would recommend us to others. This customer advocacy has been beneficial for us this year. Satisfaction at the ward manager level also continues to rise but there are areas in which we can improve. We are particularly focusing on better communications, so ward managers are kept up to date with developments in our service.

A significant challenge for us during the year was a sudden unforecast rise in demand in August 2011 reaching a peak in March 2012. This was contrary to the expectations of many clients, who had been planning to make cost savings by reducing their demand for flexible workers. We responded by looking at a number of ways to increase our flexible worker resources, which are discussed in more detail below.

An attractive client offering

The market is increasingly recognising the strength of our client offering. With the NHS required to save £20bn over the next few years, Trusts are rightly focused on cutting costs. We give them the opportunity to save 10% to 20% of their flexible workforce spending.

We start by preparing a full business case for each client, which demonstrates the value we offer compared with an in-house solution. The business case analyses the client's data and sets out the available savings. We enable Trusts to understand their sources of demand for flexible workers, reduce their use of expensive agencies, optimise pay rates and minimise employment on-costs. Post-implementation, our local client relations team based on the client's site, has the remit to drive that benefits realisation.

Our service also helps NHS Trusts to meet their key challenges. We support our clients' QIPP agendas and assist Trusts who are seeking Foundation status or who are in turnaround. NHS Professionals delivers cost savings but we also deliver flexible workers with the right values, underpinned by excellent clinical governance and continued innovation.

“We believe that our clinical governance is the strongest in the market and a source of competitive advantage for us.”

£56m

New business

New business won with an annualised value of £56m



We believe that our clinical governance is the strongest in the market and a source of competitive advantage for us. NHS Professionals is able to recruit large volumes of flexible workers to NHS Employment Check Standards and has a robust Board assurance framework that underpins our clinical governance policy and standards. We have also put in place a new infrastructure for locum doctors, including the appointment of a Responsible Officer and the ability to perform the necessary revalidation.

Working in partnership with our clients is fundamental to our approach. Our Client Board is made up of representatives of our clients, all of whom have a standing invitation to attend the Board meetings. The Client Board drives our service development programme and allows us to understand what we are doing well and where we need to improve.

An example of the Board at work is a system enhancement introduced early this year that responds to Trusts' needs to comply with NHSLA level 3. Demonstrable compliance reduces insurance premiums and so we helped our clients achieve this by giving ward managers auditable and visible records of flexible workers' induction status.

We also work in partnership with our clients day to day. Our on-site teams engage with our clients, working together to drive down costs and provide the most efficient service.

Our expertise in TUPE transfers also serves our clients and flexible workers well. We have both the scale and experience to transfer many thousands of contracts each year, accurately migrating across flexible workers' terms and conditions and personal details. In the first quarter of the new financial year, for example, we undertook three implementations that required us to TUPE nearly 6,000 workers – our largest programme to date.

The market does not stand still and new technology solutions are tempting a small number of Trusts to take their bank services in-house. The difficulty these Trusts face is their inability to replicate any of the other benefits we bring, such as lower employment costs, a 24/7 support centre, the ability to innovate, for example through introducing mobile solutions, and the capacity to pay many thousands of staff each week. We also provide a cash flow benefit to our clients, through credit terms that are not available when Trusts pay flexible workers directly.



Essential Training

“Ensuring student midwives have opportunities to work in maternity services soon after qualifying to consolidate their training is really important. When the service does not have enough funded vacancies for all qualifying students, this is a good way of maintaining access to preceptorships.”

Gill Walton
Head of Midwifery, Portsmouth
Hospitals NHS Trust

Ensuring our flexible workers keep up to date is vital, so we provide all their statutory and mandatory training. We also take an innovative approach to meeting our clients' specific needs. Examples include our Care Support Worker Development programme (see page 11) and the solution we created with Portsmouth Hospitals NHS Trust, to meet its urgent demand for midwives.

With a baby boom expected, the Trust asked us to recruit six newly qualified midwives on its behalf. We met the Trust's objectives by arranging for it to offer each midwife the equivalent of four shifts per week, to complete their preceptorship programme, while we allowed them to acquire additional shifts through our flexible worker bank.



Read the full case study online at: <http://www.nhsp.co.uk>

Chief Executive's foreword continued

“The market is increasingly recognising the strength of our client offering. With the NHS required to save £20bn over the next few years, Trusts are rightly focused on cutting costs. We give them the opportunity to save 10% to 20% of their flexible workforce spending.”

Continued investment and innovation

During the year we introduced new elements to our service and invested in our technology to ensure we keep pace with our clients' and flexible workers' needs.

Agency Partnership Programme successfully launched

We developed the Agency Partnership Programme in response to demand from Trusts. Through the programme, we help a Trust to select a smaller number of agencies to work with, and then manage the agency relationships on the Trust's behalf. The agencies must demonstrate their governance compliance and offer more competitive rates. In return, they get higher volumes and a cash flow benefit. Our system accurately records hours worked and the agreed rates, reducing the number of agency invoices that are delayed by queries.

We successfully trialled the programme with Royal Berkshire NHS Foundation Trust, as described in the case study on page 17. We are now working with three clients and fully expect the service to grow further.

Ongoing technology enhancements

Investing in our technology ensures that our systems keep up with the evolving demands of clients and flexible workers. We have developed a mobile website, so our flexible workers can book shifts and receive information through their smartphones. Our next development will give ward managers the same functionality, reflecting the growing use of mobile devices in hospitals.

NHS Trusts are also increasingly using electronic rostering tools to support their workforce planning. There are two principal providers of these tools in the market. During the year, we successfully integrated our system with Allocate Software's Healthroster in a number of mutual clients. We are now working with Smart to interface with its rostering system.

Innovations in recruitment

The financial year saw a notable increase in demand for care support workers and in response we looked at ways to step up recruitment. Our Care Support Worker Development programme recruits people who have a background in care, such as in a care home, but who do not have the minimum six months of NHS experience that we usually require for our flexible workers. To open up new employment opportunities for the people we recruit, NHS Professionals, in conjunction with our clients, has devised a new training programme.

We provide the classroom training which is then followed by a supervised clinical placement. Successful candidates then go on to work for a period of six months in a mentored placement where they form part of the rota numbers and provide continuity to areas of high demand. Since commencement, more than 10,000 shifts have been filled by this programme and has been well received by our client NHS Trusts.



Excellent Service

“NHS Professionals’ local team is excellent. They provide very high-quality support and willingly share best practice from the other Trusts in our area. They deserve a lot of credit for what we have achieved.”

Anthony Murphy
Matron, Warrington & Halton
Hospitals NHS Foundation Trust

Our clients deserve excellent service, so we have worked hard to enhance our service levels in recent years. Our efforts are reflected in the high levels of client satisfaction we achieve. We provide our clients with 24/7 support and people on the ground at their sites, who are charged with delivering the benefits our service promises.

Warrington & Halton Hospitals NHS Foundation Trust has used NHS Professionals to gain control of the cost and governance of its nursing flexible workers. By working closely with the Trust, we have given it visibility of its agency expenditure and reduced its costs, by giving bank workers first choice. We also introduced a pre-employment training course, securing a supply of Care Support Workers who consistently book more shifts than the average bank worker. The dedication of our local team has been key to delivering these outcomes.



Read the full case study online at: <http://www.nhsp.co.uk>

Chief Executive's foreword continued

“We have good visibility of new business and we have already produced a number of business cases, which are progressing through the procurement process. Overall, we expect the amount of new business to increase further on the level we achieved in 2011/12.”

In some geographical areas, Trusts are struggling with a shortage of experienced nurses. NHS Professionals is therefore working with these Trusts to offer fixed-term placements and where necessary to recruit suitably qualified nurses from other European countries, who can then work flexibly.

Interest in our locum doctors managed service is growing strongly and represents an exciting growth area for us. During the year, we ran a pilot with United Lincolnshire Hospitals NHS Trust – the first time a new client has come to us solely for locum doctors. The Trust was spending a significant amount on agency locums and wanted greater visibility and control of its costs. We helped the Trust to identify differences in practices between its hospitals and to streamline engagement policies and practices. The outcome is cost savings of at least £400,000 for the Trust.

Engaging with flexible workers

To encourage flexible workers to increase the number of shifts they work, we are piloting a rewards programme. This allows flexible workers to build up points for working more hours, which they can then redeem in exchange for a range of products. They also receive cards that give them discounts in stores and have the chance to enter exciting competitions. We are delighted to report an uptake level of 40% of the approximately 7,000 eligible workers who have signed up so far, which is an excellent level of uptake.

An encouraging outlook

We have a strong sales pipeline going into 2012/13 and have made an excellent start to the year by securing a £20m contract with East and North Hertfordshire NHS Trust. This contract has now been implemented successfully.

The length of the procurement cycle means that we have good visibility of new business and we have already produced a number of business cases, which are progressing through the procurement process. Overall, we expect the amount of new business to increase further on the level we achieved in 2011/12.

Our ability to offer all staff groups will be important to our prospects. We also have opportunities to develop new revenue streams, such as allowing Trusts to leverage our eRecruitment system to recruit permanent staff. Consultancy services are also a growth area, with a number of strategic health authorities asking us to benchmark the Trusts in their area, so they can better understand their strengths and weaknesses.

We will also continue to invest in our systems. We have issued a detailed specification for replacing our bookings and placement system and during the coming year we will complete the procurement process, undertake functional design and begin development and implementation.

In conclusion, we look forward with confidence to the next 12 months and will build on the success we have achieved so far.

Stephen Dangerfield

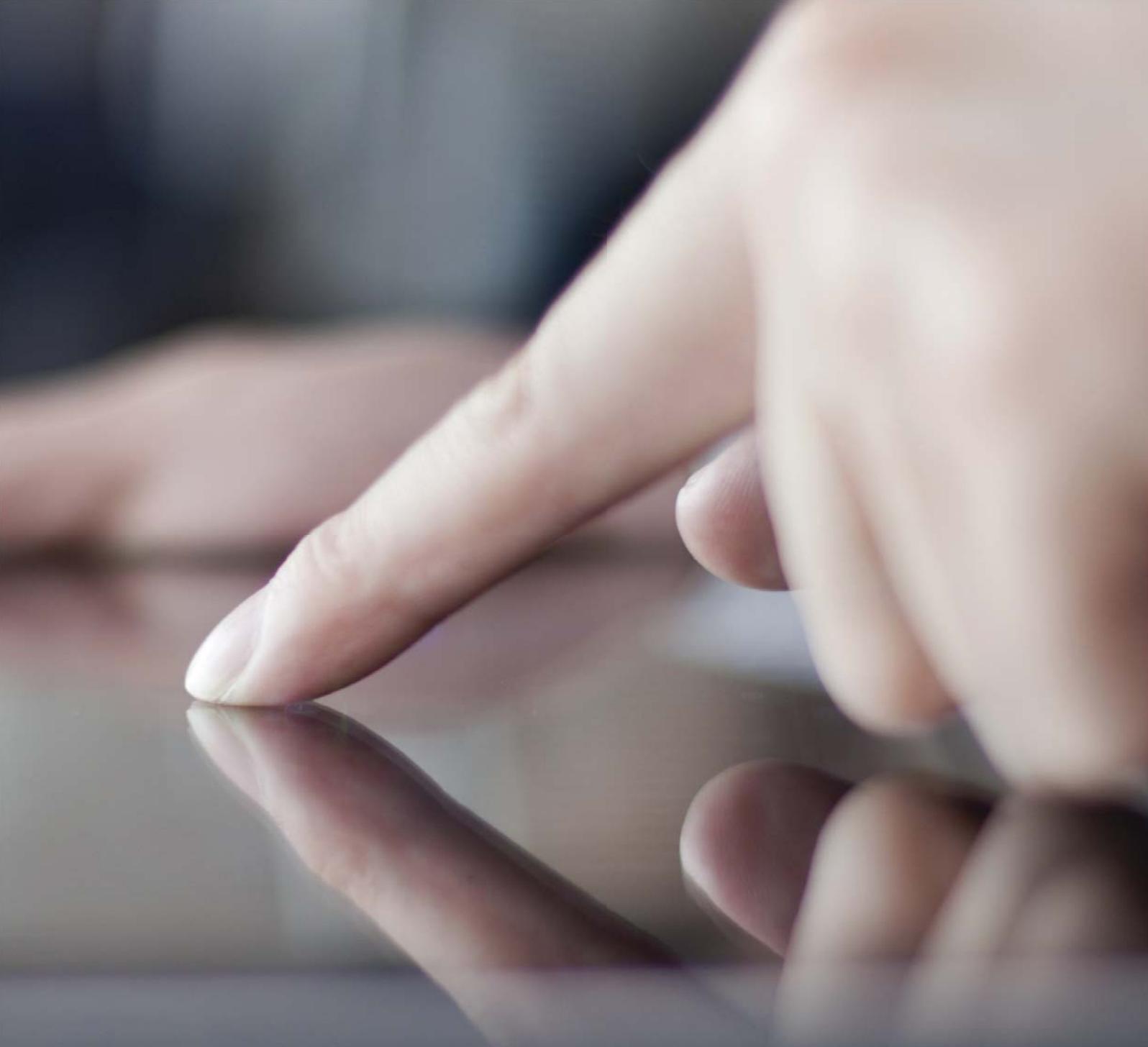
Chief Executive

Constantly Innovative

In January 2012, NHS Professionals produced a Clinical Governance Assurance report as evidence of its compliance with NHS Employment Check Standards. This evidence allows clients to demonstrate to CQC, Monitor and NHSLA the robust compliance infrastructure supporting the supply of bank workforce through NHS Professionals.

Part of NHS Professionals' Clinical Governance Strategy for 2012-14, the report offers clients greater visibility of the clinical governance within our managed service provision and supports our quality, safety and values principles.

It clearly illustrates how NHS Professionals complies with NHS Employment Check Standards, not just at recruitment but on an ongoing basis. Clients Trusts are now able to benchmark complaints relating to NHS Professionals' flexible workers against other client Trusts and their own workforce.



“Our Client Trusts have all the information they need relating to their bank staff in one place. This makes the task of compiling evidence for assessments much easier. The report is an example of the added value trusts gain by partnering with NHS Professionals. It demonstrates the transparency of our governance controls that ensure the bank staff we provide to deliver care are fit for purpose.

Clients have used the report as part of the information suite for evidence to regulators.”

Anne O'Brien
Director of Clinical Governance and Operations

Client Board

Letter from the Chair, NHS Professionals' Client Board

“The Client Board enables our clients to influence NHS Professionals' strategic direction and is the platform for driving client-led service improvements. It has funding available for research and is fully supported by our executive team. An open invitation is extended to all NHS Professionals' clients to attend the Client Board's quarterly meetings.”

The NHS Professionals' Client Board has been in operation for a number of years, with a clear remit to provide a forum for NHS Trust clients to share knowledge and best practice in flexible working. Operating as an entity in its own right since 2010, the Client Board meets to jointly influence the strategic direction of NHS Professionals and the delivery of its service.

As Chair of the Client Board, it is particularly important to me that the Client Board has a strong voice. We achieve this through regular meetings with NHS Professionals' executives and through the Chair's direct access to Robin Williams, NHS Professionals' Chairman.

NHS Professionals' continued success is vital to the clients who benefit from its services and I am delighted that it has built on the achievements of last year.

During the year, the Client Board worked with NHS Professionals on a number of developments, including the Agency Partnership Programme. This has now completed its pilot phase and is being rolled out to a number of Trusts, where it can provide some reassurance of clinical governance standards from third-party agency suppliers.



The Client Board has also been involved in developing the annual client survey and reviewing the important feedback provided on service areas that could be improved, as well as aspects that are performing well.

It has been my pleasure to see the number of attendees at the Client Board steadily increase during the last year and the level of interaction between members is developing strongly. I encourage all of NHS Professionals' client Trusts to attend our quarterly Client Board meetings, to ensure your needs are accounted for.

Jacqui Siggers

Chair, NHS Professionals' Client Board

Head of Human Resources, East Kent Hospitals University NHS Foundation Trust



True Partnerships

“Hourly rates have come down across the board, but just as importantly, we now have reassurance that our suppliers are compliant with NHS Employment Check Standards.”

Miriam Palk
Clinical Resourcing Manager,
Royal Berkshire Hospitals NHS Trust

Working in partnership with our clients – through our people based at their sites or through our Client Board – helps us to deliver the service they desire and to drive innovation that benefits them.

We developed our new Agency Partnership Programme in response to demand from our clients and with the support of our Client Board. Through the programme, we help Trusts to select a smaller number of agencies, who receive greater volumes and faster invoice payments in return for “best value” rates.

We piloted the programme with Royal Berkshire NHS Trust. The Trust had been using a number of agencies that were not on an appropriate procurement framework, creating governance risk the Trust wanted to eliminate. With our support, the Trust selected 11 agencies. In the first four months alone, the savings totalled £113,000. Other benefits included improved agency relationships, greater back-office efficiency and clinical governance assurance.



Read the full case study online at: <http://www.nhsp.co.uk>

Our performance – operational review

During 2011/12, overall shift demand increased by 3.4% over the full year. Demand in the final quarter increased by 18% compared with the final quarter of 2011/12.

“We made numerous enhancements to our systems, which will increase our efficiency and help us to improve our client service.”

Despite the increased demand, shift requests over the web were steady at 94%, ensuring a highly efficient transaction processing service. 93% of bank-filled shifts were booked by flexible workers using our NHSP:Online web-based service.

Key IT improvements in 2011/12 included further significant improvements in the NHSP:Online system. Flexible workers are now able to book shifts and review their work schedule through NHSP:Mobile, an “app-like” mobile website interface available on most smartphone devices. We also made numerous other enhancements to our systems, which will increase our efficiency and help us to improve our client service. These included:

- functionality to support agency rates, agency eTimesheets and self-billing on NHSP:Online
- ePayslips for flexible workers
- an eRostering interface, which allows clients to maximise workforce efficiencies and reduce administration time
- functionality to indicate through NHSP:Online which flexible workers require an induction to a work area, helping Trusts to comply with NHSLA Level 3 requirements and thereby reducing their insurance premiums

We also issued a detailed specification for replacing our bookings and placement system. During 2012/13, we will complete the procurement process, undertake functional design and begin development and implementation.

Recruitment

Throughout the year, we recruited more than 1,000 flexible bank workers each month. All applications are submitted through our web portal and managed by our eRecruitment workflow system. This is supported by a direct interface with the Criminal Records Bureau to check applicants’ CRB status, allowing faster recruitment.

1,000

Recruitment

Flexible bank workers each month

We now run “one-stop”, “one-day-only” recruitment events in 20 locations across England. Around 80% of the recruitment process is completed on the day, in line with the NHS Employment Check Standards. This includes Eligibility to Work document checking, skills testing and assessment, face-to-face interviews and checks performed by our Occupational Health nurses, including blood tests and immunisations.

In 2011/12, we completely overhauled our locum doctors recruitment and placement process to improve both the quality of locums we select and the speed at which we are able to recruit them. During the year, NHS Professionals gained a place on the London Procurement Project framework to supply locum doctors.

The General Medical Council has introduced statutory regulations to revalidate all doctors, starting in December 2012. This means that all licensed doctors must be revalidated on a five-yearly cycle, through a regular appraisal process by a Responsible Officer. We were therefore pleased that Dr Helen McGill joined NHS Professionals as Clinical Director and Responsible Officer. Helen has extensive experience as a General Practitioner and is also a trained dentist and lawyer. This puts us in a strong position ahead of the introduction of the revalidation process.

During the year, NHS Professionals researched the specific needs of specialist nurses. These roles are often the hardest to fill for both the Trust and us. The vast majority of specialists have substantive roles in the NHS but their skills are always in high demand. Consequently they are tempted to work additional hours through expensive staffing agencies. In light of the survey findings, we have established a specialist nurse recruitment team to handle their applications and support them through the recruitment process.

Implementations

During the year, we successfully completed a number of implementations at new Trusts and service extensions at existing clients. TUPE often applies when the new client Trust's bank workers are transferred to our managed bank service. Our implementations team has developed considerable experience in this area and can make the process simple and straightforward for most Trusts and flexible workers.

The people behind the service

NHS Professionals values the vital role its 363 corporate staff play in ensuring its success. In 2011/12, an increasing proportion were active in the field and based at Trust offices, where they are the visible face of NHS Professionals, working both with clients and flexible workers. They are ably supported by a committed team of office-based professional staff, across many disciplines.

The market

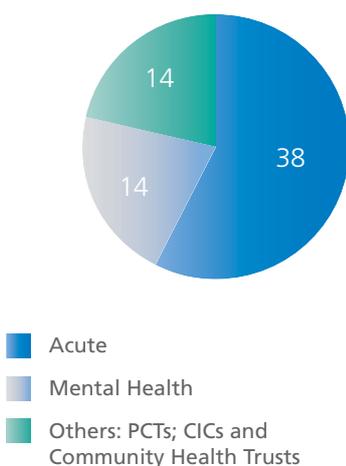
Following several years of declining demand, our client Trusts forecast further reductions, in line with their desire to cut costs and expected reductions in acute referrals. The sudden sharp increase in demand from acute Trust clients in August 2011 and rising to a peak in March 2012, came as a surprise to both us and to our clients.

In an effort to derive economies of scale and scope, a number of our client Trusts merged with other Trusts during the year. Consequently we now serve some 66 NHS Trusts, split as shown in this chart.

The NHS reforms are focused on three aspects: QIPP to deliver maximum effectiveness; Service Improvement Plans to reduce spend and deliver the £20bn savings target over four years; and reconfiguration with the introduction of Clinical Commissioning Groups to replace PCTs. Over time, this will lead to realignment of acute services with community services to encourage as much care as possible to be undertaken in the community, rather than within an acute care environment.

While this is likely to move the demand in the long run to community care providers, it is unlikely to affect demand, merely relocate the request. In fact, in the short to medium term, we expect demand to increase to accommodate the degree of flexibility that Trusts will require to support their restructuring. Indeed, we are already seeing some Trusts include a greater degree of flexible and temporary working in their workforce strategy planning.

Clients by type of Trust
2012



Our performance – operational review

1.6m

Shifts

We filled 1.6 million shifts for clients during the year

Another market that seems ripe for development is medical locums. This market has been rather poorly served by very expensive locum staffing agencies, very few of whom are actually represented on Government Procurement Service (previously Buying Solutions) agency framework agreements. NHS Professionals has established managed locum service agreements with eight Trusts and has undertaken a number of pilot studies in non-client Trusts, to review the dynamics of their demand, pay, policy and working practices.

Business development

Despite the clear savings potential for most NHS Trusts, our service is not mandated and Trusts are free to choose the bank service that best suits their needs. In terms of number of Trusts, NHS Professionals currently supplies around 25% of the addressable Acute market and 24% of the Mental Health market.

Due to the nature of our long-term service agreements with clients, NHS Professionals has a healthy forward order book. A lengthy business development process also means that we have clear visibility of a number of Trusts whose Boards are considering the merits of our service, and a very healthy business pipeline.

The market for managed flexible worker services has become more active since the introduction of the London Procurement Programme (LPP) Managed Service framework in 2010 and competitors are aggressively defending their existing client contracts. This has largely been reflected in aggressive tactical pricing, supported in the main by our competitors' high margin agency business. Despite this, the vast majority of the market for managed bank services remains untapped, with most Trusts still operating in-house services. However, they are now inclined to market test against their own service provision via open tenders and using the LPP framework. NHS Professionals has substantially increased its bid response capability to reflect this growing requirement.

We were pleased that Georgina Dwight joined NHS Professionals in June 2012 as Commercial Director, to manage business development and bid response activity.

Our expertise in service delivery, clinical governance and demand reduction is evidenced by more than 20 case studies approved by our clients. These clearly demonstrate how we made a difference to their service delivery, in particular in meeting their QIPP agenda through assurance on compliance and continuity of patient care, performance improvements in managing and controlling their demand and cost savings through reduced agency usage and pay optimisation.

National Trends

Every quarter, NHS Professionals produces *National Trends*, a market report examining current trends in flexible working demand. This provides Trust executive teams with a benchmark and shows the relative demand changes within clusters of client Trusts, by both geographical region and status (Foundation, Teaching, Mental Health).

During 2011/12, these reports reflected the change in demand profile that we have experienced and that Trusts tell us is an accurate reflection of their experience. We expect the market to be turbulent during the year ahead.

Our performance – financial review

NHS Professionals recorded its second year of surplus in 2011/12, achieving a surplus before tax of £4.4m. This was a significant improvement on the surplus before tax in 2010/11 of £0.3m.

The rise in surplus was the result of a £5.4m, or 23% increase in gross profit, which was driven by higher sales and a proportionate reduction in our cost of sales.

We tightly controlled operating costs, enabling us to report earnings before interest, tax and depreciation of £5.1m, an increase of £4m from 2010/11. We also signed new business with an annualised value of £56m, lifting our order book to approximately £370m.

Financial Benefits

£100,000

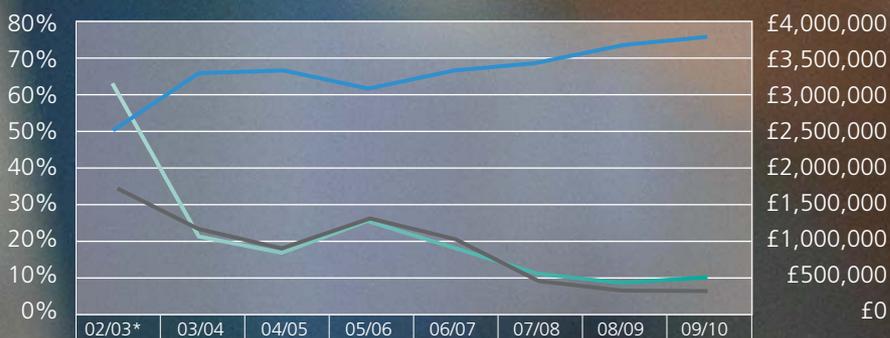
Savings in one month

£100,000 saved on temporary staffing in one month alone

With 5,500 staff, University Hospital of South Manchester NHS Foundation Trust (UHSM) is a large, foundation, acute, teaching hospital Trust located at both Wythenshawe Hospital and Withington Community Hospital serving South Manchester and the North West.

Supported by NHSP, the Trust management team has continued to reduce demand for temporary working and eliminate wasteful agency spend. With unqualified agency use virtually eliminated, qualified agency usage is restricted to "hard to find" specialist skills, accounting for less than 7% of shift fill and less than £500,000 a year.

UHSM shift fill



■ NHSP ■ Agency spend ■ Agency

* NHS Professionals was implemented in October 2002 over a six-month period



The "Fit for 15" programme is being implemented by the Trust to deliver their financial saving and performance targets for 2015.

Flexible shift times and shorter shifts have been introduced. This ensures cover for busy periods while reducing cost by minimising the overall time the flexible worker is required on the ward.

Alison Kelly, Deputy Chief Nurse and Andrew Smith, Head of Professional Practice both recognise an improvement in the quality, reliability and professionalism of flexible staff under NHSP.

"We've saved over £660,000 this year and that's allowed us to bring forward our business plan for next year! Even after eight years we're still exposing hidden pockets of temporary staffing spend."

Alison Kelly
Deputy Chief Nurse, The University Hospital of South Manchester
NHS Foundation Trust



Read the full case study online at: <http://www.nhsp.co.uk>

Directors and executive management

Executive directors



Stephen Dangerfield* Chief Executive Officer

Stephen was appointed CEO in April 2011. He has been with NHS Professionals since 2007, originally as Director of Operations and then as Chief Operating Officer. In these positions he led the process and service improvements which took NHS Professionals to maiden profits and vastly improved client satisfaction.

Stephen joined from NHS Shared Business Services, the joint venture between the Department of Health and Xansa (now Steria), where he was Finance and Accounting and Payroll Director. Prior to that Stephen was Shared Services Director for Littlewoods Shop Direct and for Telewest Communications (now Virgin Media). His background encompasses shared services operations and IT and technology developments.



Anne Challinor* Director of Client Relations

Anne was appointed Director of Client Relations in July 2007. She had previously been Regional Director for the South West and Regional Director for the whole South Region. Anne's role is to ensure a high level of front-line service delivery to our client Trusts, making sure we deliver services that fit strategically within today's fast-moving NHS environment.

Anne has experience of both the public and private sector. Prior to joining NHS Professionals, she was Operations Manager for the MATCH Group and she previously held a variety of roles at Eastbourne Hospitals NHS Trust and Marks & Spencer PLC.



Rob Clarke* Director of Finance

Rob became Director of Finance in 2008. He was previously Finance Director of Thames Valley Strategic Health Authority and subsequently acting Director of Finance for South Central Strategic Health Authority. He was also Director of Finance at the Royal Berkshire Hospital for 12 years and acting Director of Finance for Berkshire Health Authority.

Prior to joining the NHS, Rob gained broad experience working for a firm of chartered accountants and in local government. He is a Fellow of The Association of Chartered Certified Accountants and a member of The Chartered Institute of Public Finance Accountants.



Anne O'Brien* Director of Clinical Governance and Operations

Anne joined in 2008 as Director of Clinical Governance, providing strategic leadership in the areas of quality improvement, governance, assurance and professional advice. In 2011, the Director of Operations role was added to her portfolio.

Anne has more than 20 years' experience in the NHS, in roles including clinician, operational and corporate management, national programme management, national policy advice and development. She was Director of the Northern Ireland Clinical and Social Care Governance Support Team for three years and also played a key role in the NHS Clinical Governance Support Team in England and the NHS Modernisation Agency.

* Board member

Directors



Stewart Buller Director of Marketing and Communications

Stewart joined NHS Professionals in 2010. His role is to lead the expansion of our business and manage our corporate reputation. Stewart's team ensures that NHS Professionals is viewed as the managed services partner of choice for NHS Trusts and the number one recruiter for clinical staff wishing to work flexibly within the NHS.

Stewart has more than 20 years' experience of managing communications strategies for organisations that specialise in outsourcing and managed service provision. Following an early career with Shell, he held senior positions at major organisations including BT, Phoenix IT Group and Integris (Groupe Bull). A Chartered Marketer, Stewart holds an MBA from Manchester Business School.



Georgina Dwight Commercial Director

Georgie Dwight joined NHS Professionals as Commercial Director in June 2012.

Georgie is a registered nurse and registered midwife and holds a Master of Public Health degree from King's College London. Her clinical background is in accident and emergency and intensive care – working across several of London's major hospitals before moving into general management at the Royal Free Hampstead NHS Trust and then as Director of Nursing at Hammersmith Hospitals NHS Trust. Georgie was subsequently appointed to the Department of Health as Director of International Recruitment for England. In 2001, she moved into the commercial healthcare sector and founded Translocation UK Ltd which specialised in worldwide recruitment and workforce consultancy. The company was successfully acquired in 2008. Georgie has also held non-executive posts on the boards of Network Housing and London Strategic Housing; developing accommodation for NHS key workers. Her most recent work has been as a management consultant to the NHS and to governments abroad.



Keith Nash Director of Human Resources

Keith joined NHS Professionals in October 2009 as Human Resources (HR) Director. He is responsible for our corporate HR function and the recruitment and HR management of our flexible workforce. Keith has extensive board-level experience with Inchcape plc, Cable & Wireless Europe, Coca-Cola Enterprises, Land Securities Plc and MPS Group International, which includes professional staffing businesses such as Badenoch & Clark and Modis International.

Keith has been involved with successful complex change programmes, including mergers and acquisitions and joint ventures, with national and international governments. He was also featured in *HR* magazine after being voted one of the top 50 most influential people in HR.



Helen McGill Clinical Director and Responsible Officer

Helen joined NHS Professionals in June 2011 as Clinical Director and Responsible Officer driving the revalidation process within the Clinical Governance team.

Helen is trained in dentistry, medicine and law. She worked in hospital dentistry and medicine and as a clinical assistant in A&E. She became a senior partner in a large general practice in 2007 and continues to work as a GP. Having served on the board of her local Primary Care Group at its foundation, Helen then became a member of the Primary Care Trust executive. She became a board member of her local practice collaborative and board member and representative for Bedfordshire and Hertfordshire Local Medical Committee. Helen has a wealth of experience in driving delivery of clinical excellence at both local and regional level and has been involved in representing local views at national working group level.

Directors and executive management

Non-executive directors

John Flook FCCA, BA

A Fellow of the Association of Chartered Certified Accountants, John worked for the NHS from 1970 to 2003, including 20 years as a Director of Finance in the North East of England.

John is currently NED and Chair of Audit Committee Darlington & County Durham Primary Care Trusts, a member of the General Pharmaceutical Council and independent member of the Audit Committee of Sport England.

Jill Robertson MBA, DipM, PGCE, BA (Hons)

Jill has held senior roles with major companies in the staffing sector. She was Chief Executive of three businesses within the Barkers Norman Broadbent Group (BNB Plc). Previously Jill held the position of Managing Director of Healthcare Recruitment for Select Plc, Strategic Marketing Director for Adecco UK and Divisional Director for Reed Employment Plc. Jill is currently a Non-Executive Director of the Appointments Commission and speaks regularly at recruitment industry events.

Elizabeth Robb MA, BA (Hons), ADM, PGCEA, RN, RM

Elizabeth is a registered nurse and midwife, holds an MA in Nursing and is a registered midwifery teacher. She is a Visiting Professor of Leadership and Nursing Practice at London South Bank University. In 2009, she was awarded an Honorary Doctorate by Thames Valley University.

Formerly Director of Nursing and Clinical Governance and Deputy CEO at East Somerset NHS Trust, and subsequently Director of Nursing and Deputy CEO at North West London Hospitals NHS Trust, Elizabeth is currently Chief Executive of the Florence Nightingale Foundation.

Keith Russell

Keith has held a number of senior positions including the roles of CEO for Transcom Worldwide (a publicly listed, global outsourced services business) and Operations Director for BSKYB. Prior to this, he worked for PolyGram Records and Electronic Data Systems and has developed his own IT business. He currently has a portfolio of non-executive, advisory and consulting positions.

Robin Williams MA, ACA (Chairman)

Robin co-founded Britton Group plc and was a director of Hepworth PLC with a leading role in its sale. Since 2003, he has had a number of Chairman and NED roles with private equity-backed, public and family owned businesses in a range of industries. He is on the Board of Xaar plc and other businesses and is Chairman of Bio Products Laboratory Ltd and DCI Biologicals Inc., both owned by the Secretary of State for Health.

Board Committee representation

Committees	Strategy	Audit	Clinical Governance	Remuneration
John Flook	•	Chair	•	
Jill Robertson	•	•	•	•
Elizabeth Robb	•	•	Chair	
Keith Russell	•	•	•	Chair
Robin Williams	Chair			•

Financial summary

The following statements give a summary of the financial performance of NHS Professionals Limited for the year ended 31 March 2012. These are extracts from the full financial statements, which have been audited by the National Audit Office and are available from Companies House or via the Company's registered office.

Statement of comprehensive income

For the year ended 31 March 2012

	Notes	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Turnover	3	311,024	297,600
Cost of sales	4	(281,692)	(273,684)
Gross profit		29,332	23,916
Administrative expenses	4	(24,972)	(23,572)
Operating profit		4,360	344
Finance income	6	20	0
Profit/(loss) on disposal	4	0	(60)
Profit before taxation		4,380	284
Tax expense	16	(957)	25
Profit/(loss) for the year		3,423	309
Total comprehensive income for the year		3,423	309

The total comprehensive income for the year relates to continuing operations.

Statement of financial position

As at 31 March 2012

	Notes	As at 31 March 2012 £000	As at 31 March 2011 £000
Non-current assets			
Property, plant and equipment	7	1,393	1,344
Intangible assets	8	1,019	1,296
		2,412	2,640
Current assets			
Trade and other receivables	9	33,017	30,785
Other current assets	9	17,062	15,906
Cash and cash equivalents (excluding bank overdrafts)	10	21,637	22,259
		71,716	68,950
Total assets		74,128	71,590
Current liabilities			
Trade and other payables	12	(14,897)	(16,464)
Other liabilities	12	(22,434)	(21,744)
Provisions	13	(460)	(468)
Total assets less current liabilities		36,337	32,914
Non-current liabilities			
Other payables	12	(400)	(400)
Total assets employed		35,937	32,514
Equity			
Ordinary shares	11	20,000	20,000
Share premium	11	3,369	3,369
Retained earnings		3,268	(155)
Revaluation reserve		0	0
Capital reserve		9,300	9,300
Other reserves		0	0
Total equity		35,937	32,514

Statement of changes in equity

For the year ended 31 March 2012

	Note	Share capital £000	Share premium £000	Retained earnings £000	Revaluation reserve £000	Other reserve £000	Capital reserve £000	Total £000
Balance at 31 March 2010		0	0	21,370	89	10,748	0	32,207
Transfer to other reserve		0	0	(21,834)	(89)	21,923	0	0
Transfer to capital reserve		0	0	0	0	(9,300)	9,300	0
Issue share capital	11	20,000	3,369	0	0	(23,369)	0	0
Comprehensive income for the period		0	0	309	0	0	0	309
Capital reserve adjustment		0	0	0	0	(2)	0	(2)
Balance at 31 March 2011		20,000	3,369	(155)	0	0	9,300	32,514
Comprehensive income for the period		0	0	3,423	0	0	0	3,423
Balance at 31 March 2012		20,000	3,369	3,268	0	0	9,300	35,937

Statement of cash flows

For the year ended 31 March 2012

	Notes	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Cash flows from operating activities			
Cash generated from operations	18	504	10,651
Interest paid	6	0	0
Tax paid	16	(633)	(2)
Net cash generated from operating activities		(129)	10,649
Cash flows from investing activities			
Interest received	6	20	0
(Payments) for intangible assets	8	(95)	(1,140)
Proceeds from disposal of intangible assets		0	0
(Payments) for property, plant and equipment	7	(418)	(851)
Proceeds from disposal of property, plant and equipment		0	0
Net cash generated from investing activities		(493)	(1,991)
Net cash (outflow)/inflow before financing		(622)	8,658
Cash flows from financing activities			
Increase/(decrease) in other borrowings		0	0
Net cash generated from financing activities		0	0
Net (decrease)/increase in cash and cash equivalents		(622)	8,658
Cash and cash equivalents at beginning of year		22,259	13,601
Cash and cash equivalents at end of year		21,637	22,259

Five-year summary

	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000
Turnover	239,878	287,676	315,998	297,600	311,024
Gross profit	18,740	20,195	23,132	23,916	29,332
Expenses	35,119	30,461	29,811	23,632	24,952
Total (loss)/profit before tax	(16,378)	(10,266)	(6,679)	284	4,380
Fixed assets	3,565	2,701	1,448	2,640	2,412
Cash	1,201	7,130	13,601	22,259	21,637
Total assets	50,410	55,511	63,963	71,590	74,128
Net assets	26,216	24,641	32,207	32,514	35,937
Net debt	0	0	0	0	0
Working capital	24,387	23,285	33,358	30,742	33,925

A service in the public interest

Statutory background

Accounts for the 12 months ended 31 March 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC Interpretations and The Companies Act 2006 applicable to companies reporting under IFRS.

On 1 April 2010, the assets, liabilities and rights of NHS Professionals Special Health Authority transferred to NHS Professionals Limited, a public body and company guaranteed by shares held 100% by the Secretary of State for Health. The objective of the transfer was to implement the optimum trading form for NHS Professionals, its clients and its flexible staff, while giving the Company greater financial independence in order to ensure the continuity of its services long term.

NHS Professionals Limited is now self-funding from operations and no longer receives financial support from the Department of Health. It is funded through charges to clients within the NHS that recover the costs of acquiring flexible workers' services plus an amount to contribute to the operating costs of the organisation.

Impact on the environment

NHS Professionals has continued to invest in its programme of technology advancements this year, which limits the organisation's impact on the environment. Not only does technology make the service easy to use and accessible, it also limits our use of resources such as paper. The move to eTimesheets and ePayroll, in particular, further limits the use of non-sustainable resources. Our move to a single base also reduces our impact on the environment.

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