

the voice of NHS leadership

Three decorative blue curves sweep across the page from the left edge. The top curve is a thin dark blue line. The middle curve is a thick dark blue line. The bottom curve is a thick light blue line. All curves start on the left and curve downwards and to the right.

Annual review 2010/11



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Contents

Foreword from the chair	2
Chief executive's statement	3
About us	5
Member products and services	6
Our work and achievements 2010/11	8
Our priorities 2011/12	12
Our business	15
Corporate responsibility	21
Finance	23



Foreword from the chair



The past year has been extremely challenging for our members as the NHS has faced unprecedented financial pressures and simultaneously responded to health reforms that, if implemented, will lead to the biggest reorganisation in its history. The

NHS Confederation has worked hard to support its members during this period of change and uncertainty and I would like to take a moment to highlight a few key areas.

More than 300 of our members fed into and helped shape our response to the *Liberating the NHS* white paper consultation in summer 2010. We also worked extensively with our members to respond to the proposed public health reforms. We have provided evidence on behalf of our members to a range of health select committees over the past 12 months, and generated questions and fed into a number of debates in both the House of Commons and the House of Lords. We published a suite of briefings and reports to help our members keep up to date with and make sense of the reforms and, most recently, during the 'pause' in the reform programme held an event to bring members together with key individuals from the Government's NHS Future Forum.

While we have been working hard to respond to the reform agenda, we have not lost sight of the key issue affecting our members – how to maintain the quality of services while experiencing severe cuts in budgets. We have been frank in highlighting our concerns to Government and policy-makers and have provided a number of briefings and reports for members to help share experiences and highlight practical examples of improving patient care while driving efficiencies. We know from the feedback we have received from members that they have found our work in these areas particularly valuable.

While the NHS reforms have presented many challenges for our members, they have also presented some challenges for the NHS Confederation to ensure

we can effectively support and represent our members within an increasingly fluid and diverse healthcare system. In January, we consulted with members about how we could best serve their needs, and I would like to thank everybody who took the time to respond. The results of the consultation led to a number of changes within the NHS Confederation, most notably the Foundation Trust Network (FTN) becoming an independent organisation. We are continuing to work closely with an independent FTN and support and engage our foundation trust members on system-wide issues.

In response to member feedback, we have refocused on our core purpose – influencing healthcare policy, bringing people together to tackle issues of shared concern, and helping members make sense of the whole health and social care system. We have been working to re-engineer the NHS Confederation so we can fulfil these functions more efficiently and effectively on behalf of our members, offer a more flexible range of services, and provide better value for money. I believe that the NHS Confederation is a stronger and more effective organisation as a result of having gone through this process.

I would like to express deep gratitude to Nigel Edwards who has played such a crucial role in helping steer the NHS Confederation through this period and ensure that it has continued to provide outstanding work on behalf of members. Nigel has been a leading thinker in the NHS over the past decade and the NHS Confederation has been privileged to benefit from his exceptional knowledge and expertise. On behalf of the NHS Confederation, I would like to thank Nigel for his years of commitment to the organisation and for the invaluable work that he has delivered for the NHS Confederation and its members.

Finally, I would like to welcome Mike Farrar as our new chief executive. Mike is an outstanding leader who knows healthcare inside out. He has a clear vision of what the NHS Confederation should be in the future, and I believe the organisation will go from strength to strength under his leadership. I look forward to working alongside Mike to support our members in 2011/12.

Sir Keith Pearson JP
Chair, NHS Confederation

Chief executive's statement



I would like to start by thanking our members and staff for the incredibly warm welcome which I have received during my first month as chief executive of the NHS Confederation. It has inspired me with real confidence to see the exceptional level of knowledge,

commitment and professionalism present at all levels across the organisation. I would also like to express particular thanks to Sir Keith and Nigel Edwards for the way in which they have led the organisation and steered its course during an extremely challenging time for members and the industry as a whole.

Those of you who know me already will know I am not exaggerating when I say I believe the NHS is one of the world's greatest institutions and inventions. I feel extremely privileged to be heading up the body that brings together and speaks on behalf of those who lead our health service. So much of what is needed right now is the view of the whole industry, and the NHS Confederation has a key role to play in helping determine how all the different parts of the NHS will add up to an effective whole in future. There has never been a more important time for this organisation to punch its weight on behalf of its members.

While others continue to focus on the political and ideological drivers behind the NHS reforms, we know it is our members who will ultimately have to deliver these changes and make them work in practice. Throughout the reform process, the NHS Confederation has stressed that policy-makers should avoid making policy without listening to the people who will be responsible for implementing it. We have also made clear that the reform timetable should be driven by the realities of what is achievable in each area. I have already met with a number of key stakeholders, including David Cameron's new health adviser, Paul Bate, Nick Clegg and the Liberal Democrat health team, and have continued to put across these messages.

In an interview with the *Guardian* in May, I expressed the NHS Confederation's support for some key aspects of the reforms, including the introduction of clinical commissioning, the empowerment of local government to improve health and well-being, and the focus on outcomes. But I stressed that the proposed changes are not sufficiently focused on the real problems facing the NHS, such as the financial squeeze and the need to better integrate services for patients. It is vital that the leadership community continues to actively engage in the political process to ensure that policy-makers remain aligned to the fundamental issues that will improve care for patients and value for taxpayers.

At our recent member event with the Government's NHS Future Forum, I was overwhelmed by the extent to which NHS managers and leaders are committed to helping deliver reform in the NHS despite the uncertainty that the reforms represent to their personal futures. The NHS Confederation is wholly committed to supporting members in their efforts to shape the reform programme and will continue to provide the crucial channel through which NHS leaders can participate and feed into the reform process. I am personally committed to making sure the NHS Confederation continues to effectively represent the views of all of its members at each stage of the process, to help ensure the reforms result in the best possible outcome for the NHS, those who work within it and the public that it serves.

The past year has been one of the most difficult and uncertain periods in the history of the NHS. But we know that the coming year is going to be just as challenging. So, looking ahead to the next 12 months, what can you expect from the NHS Confederation?

As Sir Keith has already mentioned, our core purpose – influencing healthcare policy, bringing people together to tackle issues of shared concern, and helping our members make sense of the whole health and social care system – hasn't changed. But we are committed to carrying out each of these functions more efficiently and effectively on behalf of our members. The organisation has made significant progress in recent months, both externally – forging closer links with its membership, building a stronger

public profile and strengthening relations with key stakeholders – and internally – improving the way in which it develops and delivers services for members. I am committed to continuing this work to ensure that the NHS Confederation is fully responsive and accountable to its members. We will work more openly and transparently so that members can see tangible results and be confident that we are providing real value to them and the NHS as a whole.

In response to feedback from our members, we have already set out our priorities for the coming year: tackling issues related to finance and quality; helping members address the challenges of health reform and transition; looking at the new commissioning landscape; and working across public health and social care. We want members to sit at the centre of each of these work programmes to ensure we are providing the services and support that members really want and need.

We will continue to regularly consult with our members – via a range of channels, including member working groups, polls and surveys – to gain members' views on key policy issues as well as the content and direction of our work programmes. It is incredibly important that we have close working links with our members so that we can effectively represent them and use their feedback to underpin and strengthen our influencing and external relations work.

Over the next 12 months we will be developing our member offer for new and emerging NHS bodies, such as commissioning consortia, social enterprises and community service providers. We will also be looking to develop stronger links with the clinical community, NHS supply chain organisations and, most importantly, patients, so we can continue to effectively represent and work in partnership with all those who contribute to our modern healthcare system.

There is a lot that we need to do. But I am confident that the NHS Confederation, with the input and support of its members, will meet the challenges that lie ahead.

For those of you attending our annual conference and exhibition in July, I will be making time to personally meet with members to listen to their concerns and discuss how the NHS Confederation can best support them. I'll be on the NHS Confederation stand at various points over the three days if you would like to come and speak to me.

I would like to thank you all for your continued support and look forward to leading the NHS Confederation on your behalf and working with you in the future.

Mike Farrar

Chief executive, NHS Confederation

About us

Who we are

The NHS Confederation is the independent membership body that represents all types of organisations providing and commissioning NHS services in England.

We are the only organisation to bring together all parts of the modern NHS and speak for the whole of the NHS on the issues that matter to all those involved in healthcare.

Our members include acute trusts, ambulance trusts, foundation trusts, mental health providers, primary care trusts and independent healthcare organisations that deliver services within the NHS.

We run an Associate Membership scheme for commercial and third sector organisations involved in the delivery of healthcare, and an 'Insight' information service for academic and representative bodies with an interest in health and the healthcare sector.

We are also beginning to open up our membership to new and emerging NHS bodies – including commissioning consortia, community services, third sector providers and social enterprises – to ensure that we continue to represent the full range of organisations working within our healthcare system.

The Welsh NHS Confederation and the Northern Ireland Confederation for Health and Social Care support members in their countries, and we provide a subscription service for NHS organisations in Scotland.

What we do

The NHS Confederation is unique in **bringing together** all parts of the healthcare system to help improve the health of patients and the public.

We work closely with our members to identify and prioritise the issues that are most important to them and the NHS as a whole, and deliver work programmes to help tackle these issues.

We work to **influence** key decisions and national policy developments on behalf of our members, and provide a **strong voice** for healthcare leaders on issues of shared concern.

We also support our specialist networks – including the Ambulance Service Network, Primary Care Trust Network, Mental Health Network and the NHS Partners Network – to provide our members with a strong and autonomous voice on issues where their part of the NHS has a distinct view.

We help all of our members to **make sense** of an increasingly fluid and diverse healthcare system and keep abreast of the complex policy agenda – offering unique insight and analysis on the national political agenda and practical assessment of the impact of policy on the planning, commissioning and delivery of system-wide services.

Finally, we provide added value to our members and the wider healthcare system through the delivery of **industry-wide support functions**, including:

- the NHS Employers organisation, that works to represent trusts in England on workforce issues
- the NHS European Office, that promotes the priorities and interests of the NHS to European institutions and provides information and advice to NHS organisations on relevant European Union developments
- the Service Delivery and Organisation Network and the Health Services Research Network, that help NHS organisations access and engage with health services research.

Member products and services

Providing a voice for healthcare leaders: influencing and representing

We work to influence key decisions and national policy developments on behalf of our members and provide a strong voice for healthcare leaders on issues of shared concern. We also support our specialist networks to provide members with a strong and autonomous voice on issues where their part of the NHS has a distinct view.

We work closely with our members to gain their views on key policy issues:

- over 100 delegates attended our member engagement events on the NHS and public health reforms, and more than 350 members fed into our formal response to Government
- 45 members attended our event bringing them together with key individuals from the Government's NHS Future Forum
- we formally consulted with members on a number of issues, including CQC quality assessments, revised enforcement policy and registration fees
- the NHS European Office consulted with our members on a range of topics, including the EU Working Time Directive, mobility of health professionals across Europe, and proposed changes to public procurement and clinical trials.

We represent our members' views to Government, Parliament and national stakeholders:

- written and oral evidence to select committee inquiries, including those on the Health and Social Care Bill, public expenditure on health and social care, commissioning, public health, PFI, localism and complaints and litigation
- written and oral evidence to the All-party Parliamentary Group on Primary Care, and the Public Health Inquiry into the public health reforms
- generated questions and featured in debates on the Health and Social Care Bill in both the House of Commons and the House of Lords

- regular meetings with Government and policy-makers, including: Nick Clegg MP, the Deputy Prime Minister; the Secretary of State for Health, Andrew Lansley MP; the Shadow Health Secretary, John Healey MP; healthcare ministers; policy advisers at No. 10; members of the Health Select Committee, including the chair, Stephen Dorrell MP; and members of the Public Bill Committee responsible for scrutiny of the Health and Social Care Bill

MPs of all parties thought the NHS Confederation has been more effective over the course of 2010*

- regular discussions with the Department of Health and Sir David Nicholson, chief executive of the NHS in England, and senior figures at Monitor; the CQC the Co-operation and Competition Panel; Public Health England; NICE; and the Local Government Association
- strengthening relationships with the British Medical Association; the Royal College of General Practitioners; and the Royal College of Nursing.

We provide opportunities for members to engage directly with policy-makers and key influencers:

- 'policy salons', bringing together members, policy experts and academics
- working dinners, breakfast meetings and round-table events.

Two thirds of our members rated the NHS Confederation as one of the top three most influential organisations in healthcare**

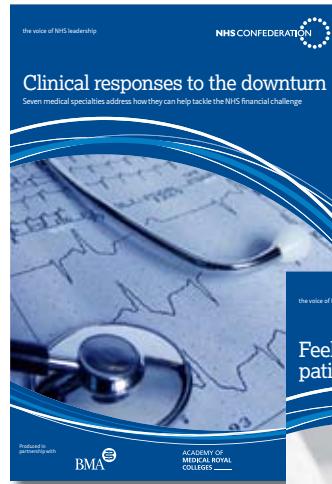
Sense-making: insight and analysis

We help all of our members to make sense of an increasingly fluid and diverse healthcare system and keep abreast of the complex policy agenda – offering unique insight and analysis on the national political agenda and practical assessment of the impact of policy on the planning, commissioning and delivery of system-wide services:

- more than ten briefings for members on the NHS and public health reforms, as well as other sector-wide issues and policy initiatives

'Always apposite and easy to digest'

- seven reports providing in-depth information and guidance on NHS-wide issues, including the NHS reforms, NHS finances, service reconfiguration, and improving patient experience
- more than 200 members attended our policy horizon events in Nottingham, London and Leeds, which provided up-to-the-minute information on policy developments and trends
- all of our members can access our daily press summaries, online public affairs service and our monthly *Health policy* digest e-newsletter which provides the latest healthcare news, views and commentary.



"The press digests by email are excellent"

Bringing people together: networking and learning

We host a range of events and provide a number of networking and engagement opportunities with colleagues working across all parts of the health and social care system:

- seminars on regulation, workshops on whole-system redesign, a half-day conference on clinical responses to the downturn, and national and international study visits on service integration
- more than 1,800 colleagues across health and social care attended our annual conference and exhibition.

"I find the Confed staff approachable, helpful and well informed"

*Independent survey – NFp Synergy, 2010

**NHS Confederation member research, October 2010

All quotes are taken from our 2010 member satisfaction survey.

Our work and achievements 2010/11

Over the past year, we have been working hard to support our members at a time when the NHS has faced unprecedented financial pressures and simultaneously responded to health reforms that, if implemented, will lead to the biggest reorganisation in its history.

We have been robust in representing our members' views to Government and policy-makers, and have continually stressed that policy-makers must listen to the people who will be responsible for implementing the policy in practice. We have also stressed that the proposed NHS reforms must focus sufficiently on the real problems facing the NHS – such as the financial squeeze and the need to better integrate services for patients – and have continued to seek greater clarity and assurance on behalf of our members about the nature and direction of the reform agenda.

While we have been working hard to respond to the reform agenda, we have not lost sight of the key issue affecting our members – how to maintain the quality of services while experiencing severe cuts in budgets. We know from the feedback we have received from members that they have found our work in this area particularly valuable.

Earlier in the year, we developed the 'Our priorities' section on our website to clearly reflect the work that we are undertaking on behalf of our members and help audiences navigate around the complex range of issues facing the NHS at this time. Below is a snapshot of some of the work that we have undertaken in 2010/11.

NHS reforms

Since the NHS reform programme was announced in July 2010, the NHS Confederation has worked extensively to gain the views of its members and effectively represent them to Government, policy-makers and key individuals responsible for developing the reform programme. We have supported our members in their efforts to help shape the proposed reforms by providing a number of channels for them to engage and feed in their views at each stage of the reform process.

More than 300 of our members fed into and helped shape our response to the *Liberating the NHS* white paper consultation in summer 2010. Our overall response included 40 suggestions for improving the new system and we proposed a ten-point action plan for managing the transition. We also responded to detailed elements of the reforms, including consultations on commissioning, the review of arm's length bodies, democracy and commissioning, healthcare regulation, and the outcomes framework.

We published a suite of briefings and reports during this period to help members keep abreast of and make sense of the proposed reforms – providing a practical assessment of their impact on different parts of the system and what this means for the NHS as a whole.

Following the pause in the reform programme, we played a key part in the debate as the Government's listening exercise drew to a close and it considered its next move on NHS reforms.

More than 40 members joined us in discussions with the Government's NHS Future Forum to put forward their concerns about the NHS reforms on issues including choice and competition, leadership, accountability, and education and training. Members' feedback formed a key part of our submission to the forum – *The right reform for patients: the NHS Confederation's response to the Government's listening exercise on the Health and Social Care Bill 2011*.

In our submission we strongly backed the idea of health service reform but said the case for the breadth of the Government's reforms had yet to be clearly made. We also stressed that we do not believe the proposed changes are sufficiently focused on the problems facing the NHS, such as the financial squeeze, variability in the standards of care, and the need to better integrate services for patients.

We set out a number of recommendations on key areas of the reform programme, including public accountability and patient involvement, clinical leadership and advice from healthcare professionals, choice and competition, education and training, and helping the healthcare system pull together.

The fact that the Government has had to pause its reforms reflects the fact that insufficient attention was given to drawing on the knowledge of the people who work at the coalface and in the management of the NHS. It is essential now that the changes that emerge from the listening exercise command the support of those in the service who understand the practicalities of implementation.

We have urged the Government to establish a process whereby there is on-going dialogue with senior healthcare leaders and managers as the health reforms unfold and as the detail emerges. The NHS is under enormous pressure and the Government must provide clarity, quickly, in order to make it easier for the NHS to deliver financial stability and high-quality services for patients.

Public health reform

We produced an on-the-day briefing for members, setting out the main points of the *Healthy lives, healthy people* public health white paper following its publication in November 2010. In our initial response we supported shifting public health responsibilities to local authorities as we believe that councils have significant potential to impact on the causes of ill health within a local population. We also welcomed the focus on improving public mental health.

However, we stressed that cooperation and coordination between relevant organisations will be key to ensuring the system functions effectively. For this to be achieved we need further clarity on what incentives there will be to encourage each part of the system to work together and on who will have accountability for outcomes and performance.

We consulted extensively with our members between November 2010 and March 2011 to deliver our detailed response to the Government's public health white paper consultation. We produced our own consultation paper for members and in February held a member event to discuss the key challenges and opportunities associated with the reforms. We also gained feedback from more than 100 members through board meetings, events, policy seminars, telephone conversations and email.

Our overall response identified the policy proposals that we feel are particularly important and how we think they can be taken forward as quickly as possible. It also set out the risks our members identified and recommended actions for averting them.

We emphasised the need for long-term stability in the new public health system, especially given that public health problems are generational and cannot be fixed through short-term solutions that fit within a political cycle. The system, in whatever form it takes, must be allowed time to 'bed in' and it will be important to avoid any radical changes early on.

We recently gave written and oral evidence to a new Health Select Committee inquiry on the public health reforms and will continue to work closely with our members to influence the shape of the new public health system.

Finance and efficiency

With healthcare leaders required to achieve efficiencies worth £15–20 billion over the next four years, while also tackling underlying increases in costs and demand, we have been a key voice in highlighting the extent of the financial challenge facing the NHS.

We generated questions and fed into a number of debates in both the House of Commons and the House of Lords on issues related to NHS funding.

We held discussions with our members to explore how the NHS might respond to the financial pressures – looking at areas such as providing care closer to home, managing long-term conditions to reduce costs, reducing variation, skill mix and substitution, organisational mergers, and integrating services.

In June 2010 we published a report, *Dealing with the downturn: using the evidence*, which explored both the upsides and pitfalls associated with some of these ideas and set out the myths versus reality about saving money in the system.

Our half-day conference in December 2010 looked at how clinical leaders could help address the financial challenges facing the health system. We published a joint report, *Clinical responses to the downturn*, with the British Medical Association, the Academy of Medical Royal Colleges and the Joint Medical Consultative Council, which set out practical recommendations on how clinicians in their own specialties can release NHS resources.

Finance and efficiency continues to form a key part of our work programme and we have outlined under 'our priorities for 2011/12' how we plan to support members in this area over the coming year.

Local government and social care

Our regular dialogue with the Local Government Association became more important than ever as we work to support strong relationships and effective joint working between the NHS and local authorities over the longer term.

We met regularly with the Association of Directors of Adult Social Services (ADASS) and ran a programme of joint events to discuss the implications of the NHS reforms. We also published a joint discussion paper, *Where next for health and social care integration*, to look at the issues associated with commissioning and providing integrated health and social services.

For 2011/12 we have committed to carrying out a range of activities with national partners from across health and social care to influence the shape of the new system and support the development of a joined-up approach to funding and provision of care over the longer term.

Quality and safety

We have been robust in our assertion that quality and patient safety must remain a priority as the NHS struggles to deal with the financial challenge and simultaneously implement the radical programme of reform.

Our report, *Feeling better? Improving patient experience in hospital*, explored the approaches of UK and United States hospital providers who have made significant progress in delivering patient-centred services. We also produced a factsheet, *Putting patients and the public back into patient safety*, which set out six questions that board members should ask in order to seek assurance that the patient voice is heard at the top of their organisation.

We are committed to ensuring that issues surrounding quality and patient safety do not slip down the agenda amidst efforts to make efficiency savings and implement NHS reform. We have set out in detail our work programmes in this area for the next 12 months on page 12.

Regulation

When the new Care Quality Commission (CQC) registration system was introduced for healthcare providers in April 2010, we surveyed our members to get a picture of how NHS trusts found the registration process. We used these findings to help underpin our discussions with the CQC regarding the future registration system.

We worked closely with our members to develop our response to the CQC consultation on registration fees. In particular, we raised concerns over the issue of cost neutrality and the need for the fee structure to be sufficiently flexible in order to accommodate changing patterns of service provision and emerging types of service provider across the NHS.

In our response to the CQC consultation on its revised enforcement policy in August 2010, we outlined our support for a number of the proposals put forward, but also expressed concern about the way in which the CQC will make decisions about how and when to use its different enforcement approaches. We asked that this be rationalised and simplified so that providers can clearly and easily understand when the CQC may intervene and in what way.

The issue of regulation gained further prominence in 2010 with the proposed changes to the regulatory system set out in the Health and Social Care Bill. We hosted three seminars, in October, November and January, on economic regulation, quality regulation and the overall system, to help members understand what is needed to achieve effective regulation within the context of the new regulatory framework.

We will continue to work closely with the CQC and Monitor in 2011/12 to ensure that we take an active role on behalf of our members in shaping the new regulatory system.

Workforce

As the NHS prepares to undergo radical restructuring, it has never been more important for healthcare leaders to effectively engage the NHS workforce and involve them in organisational change. The NHS Employers organisation, part of the NHS Confederation, has provided a range of resources and support services to help healthcare leaders successfully engage with their workforce and develop the right skills to meet the challenges during a period of change and transition.

Annual conference and exhibition

Our annual three-day conference and exhibition, 'Local leadership, national service', brought together over 1,800 leaders, policy-makers and healthcare professionals. As ever, the event, which focused on how the NHS can continue to drive up the quality of care for patients at a time of severe financial constraint, provided a unique opportunity for colleagues to come together, reflect, share learning and explore the challenges and solutions facing the NHS, both now and over the longer term.

Andrew Lansley provided the keynote address, his first major public speaking engagement in his role as Secretary of State for Health. Other high-profile speakers included Sir Michael Marmot, the author of *Strategic review of health inequalities in England 2010*, and Sir David Nicholson, chief executive of the NHS in England.

Our annual conference and exhibition in July 2011 will be the first large-scale meeting of health and social care professionals following the pause in the Government's NHS reform programme. For more information, see www.nhsconfed.org/2011

Our priorities 2011/12

Following feedback from our members, we know that making cost savings while maintaining the quality of services is their greatest concern over the next 12 months, as well as addressing the challenges of healthcare reform and understanding the transition to the new system.

In 2011/12 we will be focusing on each of these key areas, bringing members together with colleagues from across the health and social care system to tackle these issues.

We want our members to sit at the centre of each of these work programmes to ensure we are providing the services and support they really want and need. We will continue to regularly consult with our members – via a range of channels, including member working groups, polls and surveys – so that we can effectively represent their views and use their feedback to underpin and strengthen our influencing and external relations work.

We will continue to provide a collective and coherent voice for NHS leaders. Through our range of products and services – including our regular briefings, detailed reports, online communications and regional and national events – we will continue to deliver high-quality analysis and insight to help members make sense of the whole health system and determine how all the different parts of the NHS can add up to an effective whole in future.

In response to our members' feedback, we will also be developing new regional support services from April 2012 so that members can come together with colleagues to discuss the key issues at the local level.

Finance

Our work to support our members as the NHS strives to achieve the required efficiency savings will focus on the Quality, Innovation, Productivity and Prevention (QIPP) agenda, clinical responses to the downturn and managing rising demand.

We will work with members to highlight examples of successful QIPP activities and will produce a

signposting report for NHS organisations which we will showcase on our website.

We will work alongside the National Institute for Health and Clinical Excellence (NICE) to encourage clinicians to identify areas where savings can be made alongside improvements to patient care. We will gain quality assurance on these examples from clinical experts and will publish them in a report for members.

We will also work with members to identify different approaches to managing rising demand and dealing with long-term conditions, and will publish our findings and the key learning points for NHS organisations.

Quality

We have begun work to establish a member commission that will focus on how the NHS and social care can put strong systems in place to ensure that the values, rights and responsibilities relating to care and compassion as set out in the NHS constitution, become a reality for older people and their families. As part of this we will arrange for experts and key professionals working across health and social care to appear before the commission to provide evidence on what will result in real changes in the system.

We will publish a report setting out the commission's findings and deliver a programme of activities to support implementation of the commission's recommendations.

Healthcare reform

Our work to help members to address the challenges of health reform and understand the transition to the new system will be driven by the nature and timetable of the reform programme.

We have continued our work to influence the direction of the reforms and feed in the views of our members during the pause in the reform process.

Looking ahead, we plan to run two seminars (one urban, one rural) to bring together the key players in a local health economy – including NHS providers, commissioning consortia, local authorities, independent sector providers and local involvement networks (LINKs) – to explore how the new system will function. We will publish the findings to help members think through the challenges in their own area and use the information to underpin our responses to consultations by national bodies.

We will also publish a series of briefings for members, summarising how the new system will work once the Health and Social Care Bill has been passed.

New commissioning landscape

The cultural change needed to introduce the new commissioning landscape cannot be underestimated and we are committed to supporting our PCT members as they work to facilitate the transition to the new commissioning arrangements and manage the challenges that this represents for their own organisations.

We have already begun to reflect the new PCT clustering arrangements within our membership and have opened up access to our products and services to emerging consortia within existing PCTs.

We have also been exploring with the Royal College of General Practitioners how we could work in partnership in the future to support future commissioners. We have agreed that we can provide best value to our respective members through delivering specific joint pieces of work designed to influence and support implementation of particular aspects of policy and practice. This is the most efficient and cost effective way of sharing resources and bringing the two organisations' complementary skills and expertise to the task.

We are already running a joint project on managing potential conflicts of interest within commissioning consortia as GPs take on the dual role of providing and commissioning

NHS services. We also plan to develop joint briefings and deliver joint events on other topics where we have a clear and shared interest.

The NHS Confederation will be undertaking a variety of activities over the next 12 months to help develop its relationships and profile with a new audience of clinical commissioners. During this time we will scope out and test the development of a formal membership offer for commissioning consortia for 2012/13.

In the meantime, we will work to bring members together with new commissioning consortia organisations to discuss how we can collectively ensure the success of the new commissioning arrangements.

Working across health and social care

Integration

We are continuing to build strong links with the NHS Commissioning Board, Monitor, the Care Quality Commission and the Local Government Association (LGA), as well as national and local GP bodies and national and local social care bodies, in particular the Association of Directors of Adult Social Services (ADASS), to influence the shape of the new system and support the development of a joined-up approach to funding and provision of care over the longer term.

We also plan to gather intelligence on the extent of health and social care integration across the NHS and local government, and assess what impact clustering and the proposed NHS reforms are having on integration arrangements. We are currently looking at how we can best progress this area of work in light of the pause in the reform programme and potential changes to the proposed health and social care legislation.

In addition, we are scoping out a programme of work to support community providers in relation to their role in the development of integrated services.

The Dilnot Commission

In response to the Dilnot Commission on Funding of Care and Support, we are planning to run a workshop for members and representatives from local government to explore what Dilnot's recommendations will mean for those working in health and social care. We will publish a report for members to share the findings and recommendations.

Public health

We will work with the LGA, health and well-being boards and commissioning consortia to explore the commissioning of public health services, and will publish briefings for members on the shape of the new public health system.

Working with our networks

We will support our specialist networks for ambulance trusts, mental health providers and independent sector partners to ensure that our members have a strong and autonomous voice on issues where their part of healthcare system has a distinct view.

We are continuing to work closely with an independent Foundation Trust Network (FTN) and support and engage our foundation trust members in our NHS-wide work programmes.

Members of our PCT Network are already going through significant changes as a result of the proposals set out in the Health and Social Care Bill. As outlined, we have started to reflect the new clustering of PCTs within our membership and have opened up access to our products and services to

emerging consortia within existing PCTs. We will also be undertaking a variety of activities over the next 12 months to help develop our relationships and profile with a new audience of clinical commissioners.

In addition, we are developing services for those organisations that are not affiliated to any of our specialist networks, in particular for acute trusts, social enterprises and community service providers. In doing so, we can continue to effectively represent the full range of commissioners and providers working within the healthcare system.

Delivering key industry-wide support functions

We currently deliver a small number of industry-wide support functions for the NHS. The NHS Employers organisation, part of the NHS Confederation, works to represent trusts in England on workforce issues.

We also provide added value to our membership and the wider healthcare system through the work of the NHS European Office, the Service Delivery and Organisation Network and the Health Services Research Network.

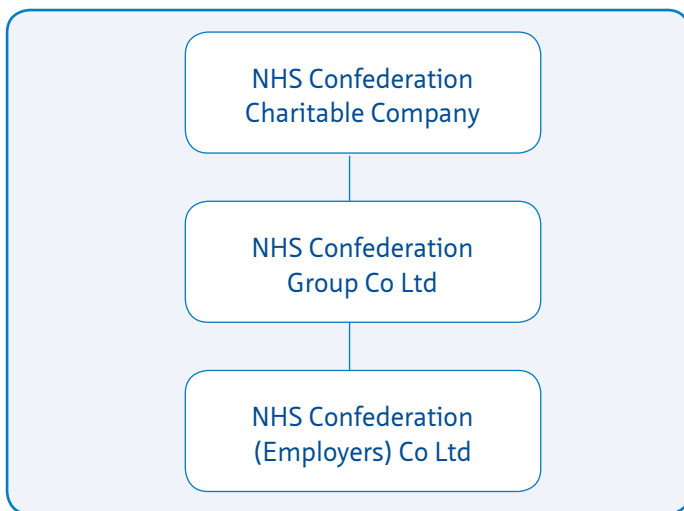
As the Department of Health considers outsourcing some of the functions that are currently provided by government, we are well placed to assume delivery of some of these support services.

Where we believe it is in our members' interest, we will pursue these new opportunities and will channel any generated income back into the development and delivery of our member services.

Our business

Governance

The NHS Confederation is comprised of three legal entities.



Most of the work of the Charity is conducted through the two trading subsidiaries – the NHS Confederation Group Co Ltd and the NHS Confederation (Employers) Co Ltd.

The NHS Confederation Charity is regulated by the Charity Commission, the independent regulator for charitable activity. Each year we submit information to the Charity Commission in accordance with legal requirements for charities with income over £1 million, including a copy of our trustees' annual report and accounts. The trustees' annual report and accounts are published on the Charity Commission's website at www.charitycommission.gov.uk.

The NHS Confederation Group Co Ltd and the NHS Confederation (Employers) Co Ltd are also subject to company law and are registered with Companies House. Each year we submit annual return and accounting records to Companies House in accordance with legal requirements. The annual return and accounting records are published on the Companies House website at www.companieshouse.gov.uk.

The board of trustees

The NHS Confederation Charity is managed by a board of eleven trustees, the members of which are drawn from our specialist networks, the NHS Employers organisation, the Northern Ireland Confederation for Health and Social Care and the Welsh NHS Confederation. There are also two independent trustees.

All of the trustees, with the exception of the chair, are voluntary and receive no remuneration apart from necessary travel expenses which trustees may claim in line with the NHS Confederation's expenses policy. The chair is a part-time remunerated post.

The members of the board of trustees are:

- Sir Keith Pearson JP (chair)
- Phil Taylor (independent chair of audit committee)
- Heather Strawbridge (Ambulance Service Network)
- Paul Sabapathy (Primary Care Trust Network)
- Mike Parish (NHS Partners Network)
- Shaun Clee (Mental Health Network)
- Steve Warburton (NHS Employers organisation)
- Trevor Purt (Welsh NHS Confederation)
- Pat McCartan (Northern Ireland Confederation for Health and Social Care)
- Lisa Rodrigues, co-opted independent member.

Jim Birrell represented the NHS Employers organisation as a trustee and non-executive director during 2010/11 and retired at the beginning of 2011. We would like to thank Jim for his time and commitment, and in particular for the huge contribution he made in supporting the work of the audit committee. Peter Griffiths represented the Foundation Trust Network (FTN) as a trustee until May 2011 when the FTN started operating as an independent entity.

The board of trustees is responsible for approving:

- the Memorandum and Articles of Association for the NHS Confederation Group Co Ltd
- the appointment of the auditors
- the appointment of executive directors of the NHS Confederation Group Co Ltd
- the strategic direction, aims and objectives of the NHS Confederation Group Co Ltd
- business, commercial and acquisition strategies
- standing financial instructions and standing orders
- corporate business plans and budgets
- contracts and projects worth more than £1m
- single tenders over £250k.

The board has two accountable committees; the audit committee and the remuneration committee.

Audit committee

The NHS Confederation's audit committee provides assurance across the whole of the NHS Confederation Charitable Company and reports to the board of trustees. The members are:

- Phil Taylor (independent chair)
- Shaun Clee (trustee)
- Hattie Llewelyn Davies (independent member)
- Peter Wood (independent member).

The NHS Confederation's external audit is provided by Grant Thornton Ltd and the internal audit function is provided by PKF Ltd. Legal advice is provided by Capsticks Solicitors.

Remuneration committee

The remuneration committee decides on the remuneration of the chief executive and the Company directors. The members are:

- Heather Strawbridge
- Lisa Rodrigues
- Sir Keith Pearson JP.

NHS Confederation Group Co Ltd

The NHS Confederation Group Co Ltd is led by a corporate board, chaired by Sir Keith Pearson. The board is comprised of four executive directors and eight trustees acting as non-executive directors. Members of the corporate board are:

Non-executive directors:

- Sir Keith Pearson JP (chair)
- Heather Strawbridge (Ambulance Service Network)
- Paul Sabapathy (Primary Care Trust Network)
- Mike Parish (NHS Partners Network)
- Shaun Clee (Mental Health Network)
- Steve Warburton (NHS Employers organisation)
- Trevor Purt (Welsh NHS Confederation)
- Pat McCartan (Northern Ireland Confederation for Health and Social Care)
- Lisa Rodrigues, co-opted independent trustee.

Executive directors:

- Mike Farrar, chief executive, NHS Confederation
- David Stout, deputy chief executive, NHS Confederation and director of the Primary Care Trust Network
- Dean Royles, director, NHS Employers organisation
- Nigel Edwards, director of policy, NHS Confederation (until May 2011)
- Sheila McKenzie, acting director of finance, NHS Confederation

The corporate board meets every two months and is responsible for:

- approving amendments to the Memorandum and Articles of Association for the NHS Confederation (Employers) Co Ltd
- appointing the executive directors of the NHS Confederation (Employers) Co Ltd

- approving operational strategies such as communications; membership; business development; workforce; and IT
- approving key corporate policies such as raising concerns at work; risk management; gifts and hospitality; pay and reward; and health and safety
- recommending the corporate business plans and budgets
- approving the annual accounts for the Company
- approving contracts and projects between £250k and £1m
- approving single tenders between £100K–£250K.

NHS Confederation specialist networks

In January 2011, members of the Foundation Trust Network (FTN) supported a move for the FTN to become an independent organisation. The establishment of the FTN as an autonomous legal entity was effected in full in June.

Both the NHS Confederation and the FTN have worked together to develop a set of agreements that will govern their working relationship in the future and ensure that their mutual members have access to distinct but complementary services from each organisation.

The other specialist networks – including the Ambulance Service Network, the NHS Partners Network, the Mental Health Network and the Primary Care Trust Network – remain part of the NHS Confederation

NHS Confederation (Employers) Co Ltd

The work of the NHS Employers organisation is conducted through the NHS Confederation (Employers) Co Ltd which is a wholly owned trading subsidiary of NHS Confederation Group Co Ltd. The NHS Confederation (Employers) Co Ltd is led by a board of directors.

The board of directors are:

Non-executive directors:

- Sir Keith Pearson JP

- Jo Cubbon, chief executive, Taunton and Somerset NHS Foundation Trust
- Simon Pleydell, chief executive, South Tees NHS Foundation Trust
- Gerald Coteman, chair, Princess Alexandra Hospital NHS Trust.

Executive directors:

- Mike Farrar, chief executive, NHS Confederation
- Dean Royles, director, NHS Employers organisation
- Nigel Edwards, director of policy, NHS Confederation (until May 2011)
- Sheila McKenzie, acting director of Finance, NHS Confederation.

The board is responsible for:

- managing risk in the NHS Confederation (Employers) Co Ltd
- approving strategies for communications, engagement, workforce and organisational development
- approving the business plan and budget for the NHS Confederation (Employers) Co Ltd
- authorising contracts and projects worth between £100k and £250k.

Internal management

The NHS Confederation's senior management team (SMT) is led by the chief executive and is comprised of all of the directors of the NHS Confederation and the NHS Employers organisation. The SMT is responsible for the day-to-day running of the organisation. It meets weekly to share information and intelligence from members and agree the key policy issues for the week. It also:

- takes the lead in developing and implementing strategies, the business plan, and corporate policies and procedures
- monitors financial performance and performance against the business plan

- manages the assessment and control of risk
- ensures effective liaison, coordination and cooperation between the member networks and with the FTN.

The NHS Employers organisation is managed by a separate internal business team.

Corporate practice and policies

Governance

The NHS Confederation is committed to adhering to the highest standards of governance and voluntarily adheres to the governance principles contained in the *Combined Code of Corporate Governance* produced by the Financial Reporting Council and the *Good Governance Code* endorsed by the Charity Commission. During the coming 12 months a programme of board appraisals will be carried out including skills audits and 360 degree appraisals.

Risk management

The NHS Confederation has a policy for the management of risk across the organisation. The process has been developed with the help of our internal auditors who provided training sessions for members of staff during the year. The organisation captures risk and mitigating action through the use of a standard risk register. Corporate risks are managed by the senior management team and reported to the corporate board. The audit committee runs a programme to test the robustness of the mitigating action of key risks.

Data protection

The Data Protection Act allows a member of the public to see personal information held about them by organisations of all types, including the NHS Confederation. The NHS Confederation is registered with the Information Commissioner, and is responsible for ensuring that any personal information it holds is used fairly, is kept secure, is accurate and is up to date.

Transparency and accountability

The Freedom of Information Act gives the public the right to see official information held by public

authorities. The NHS Confederation is not currently subject to the Freedom of Information Act as it is not a public authority. However, the Ministry of Justice is considering whether the NHS Confederation is one of a number of organisations that could be considered to perform functions of a public nature.

The NHS Confederation is committed to going beyond its legal obligations to put information into the public domain to ensure that it is open and transparent to the public and accountable to its members. In doing so the NHS Confederation voluntarily seeks to comply with the spirit of the Freedom of Information Act. The board of trustees has agreed a new Transparency and Accountability policy which will be implemented from Autumn 2011. We will:

- publish our annual report and accounts on our website
- publish our business plan and annual review
- develop a voluntary publication scheme setting out how we will publish information about:
 - who we are and what we do
 - what we spend and how we spend it
 - what our priorities are and how we are doing
 - how we make decisions
 - our policies and procedures
 - lists and registers
 - the services we offer.

Procurement

The NHS Confederation is committed to achieving the best value for money as well as being open and transparent in its procurement of goods and services. Competitive tendering is required for all goods and services with a total life value in excess of £10k. We maintain a contracts register and all contracts over 10k are signed off centrally.

Expenses policy

The NHS Confederation operates an expenses policy in line with the NHS. Staff are reimbursed for essential expenses incurred as part of their work.

Raising concerns at work

The NHS Confederation has a policy to enable staff to raise concerns at work which has been updated and reviewed by the audit committee. A toolkit for staff is being developed.

Register of interests

All directors and trustees are required to declare any interests in the register of interests which is presented at every board meeting. Directors have a legal duty to act in the best interests of the company and during 2011 a new Code of Conduct policy will be developed.

Gifts, hospitality and declaration of interest

This policy is to ensure the integrity and probity of the NHS Confederation, its staff, and those acting on its behalf are not compromised by the offering, acceptance or rejection of gifts or hospitality. The policy states that employees shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of the NHS Confederation by maintaining an unimpeachable standard of honesty, impartiality and integrity in their business relationships.

- **Gifts** under £20 do not have to be recorded, unless an employee receives gifts from a single source within one year that exceeds £100. Any gifts over £20 should not normally be accepted by an individual.
- Offers of **hospitality** must be reasonable and suitable to the circumstances and a number of tests must be applied:
 - Would NHS Confederation members or the public question the appropriateness of hospitality received or given?
 - Would a reasonable person, assessing the hospitality provided by the NHS Confederation, judge that it was appropriate and represented reasonable value for money for members' subscriptions or the public purse?
 - All instances of receipt or provision of corporate hospitality should be recorded in the Register of Gifts and Hospitality along with the cost or estimated value.

- **Loyalty schemes:** Staff should not directly benefit from travel paid for by the NHS Confederation. If air miles, free train tickets or similar are received they should be recorded in the register of gifts and hospitality and surrendered to the head of governance for corporate travel use.
- Offers of **fees for speaking engagements** should only be accepted on the basis that they are payable to the NHS Confederation.

The NHS Confederation adheres to the seven principles of public life as set out by the Committee on Standards in Public Life (the Nolan Committee). These include:

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership.

Business planning

The organisation has developed a more member-focused approach to business planning and implemented improved mechanisms for monitoring and reporting on its organisational performance.

The NHS Confederation has committed to conducting an independent survey towards the end of each membership year to identify and prioritise the needs of its membership for the following year.

The survey results are used to inform the business planning process so that our NHS-wide work programmes, member products and services are designed in direct response to member feedback. This year, research showed that:

- 63 per cent of health service leaders said that finance was one of their top three concerns for the year

- 46 per cent of members said that trying to maintain, protect and improve the quality of services would be one of their top three issues
- 32 per cent of members said that understanding the Government's white paper reforms, the transition and reconfiguration would be one of their top three issues.

Our business plan for 2011/12 focuses on supporting members in these key areas. You can read in detail about our work programmes for this year under the 'our priorities for 2011/12' section.

The strategic objectives set out in the 2011/12 business plan are as follows:

- 1 we will make sense of the whole health and social care system, monitoring and helping members to understand and respond to the changes that are set out in the health and social care reform programme
- 2 we will deliver NHS-wide work programmes that bring people from across the health and social care system together to tackle the issues that matter most to members
- 3 we will make sure that members' voices are heard on issues of shared concern including the implementation of the changes set out in the health and social care reform programme
- 4 we will work with national partners from across health and social care to influence and respond to proposals for developing a deliverable and joined-up approach to funding and providing long term care
- 5 we will develop regionally focused services to support members from April 2012 onwards following the abolition of strategic health authorities

- 6 we will develop attractive membership offers for a range of new membership groups including:
 - GP consortia for 2012 and beyond so that the NHS Confederation can continue to represent commissioners as well as providers
 - other potential new members such as third sector providers or social enterprises which do not clearly fit within the existing network structure
- 7 we will continually review and improve the way we work to ensure best use of all of our resources and seek appropriate ways of generating income in order to deliver the greatest value for money for members.

Monitoring our performance

The business plan sets out the key deliverables for each quarter, for each of our strategic objectives and NHS-wide work programmes.

A new programme board has been established which is responsible for governing and leading on these areas of work. The programme board reports to the senior management team (SMT) on a regular basis which in turn reports into the corporate board.

Clear and regular reporting enables us to effectively review our organisational performance but also enables us to make swift and timely adjustments to our business plan where necessary to respond to changes in the external environment and the subsequent needs of our members.

We are committed to reporting back to members on a regular basis to keep them updated on how we are performing in each area and what we are delivering on their behalf.

Corporate responsibility

We have policies in place to ensure that we deliver on our corporate responsibilities as an employer and a public body.

Environment and sustainability

Environmental policy

We are committed to reducing our impact on the environment by improving the environmental performance of our estate. Our policy reflects our drive to conserve resources, reduce pollution and increase staff awareness of environmental issues:

- all our offices recycle paper, cardboard, plastic and cans
- we encourage all staff to switch off PCs, monitors, printers and lights to reduce our energy consumption
- where possible, we recycle old equipment and replace with more energy efficient products
- all of our print suppliers hold ISO 14001 and/or FSC environmental management accreditation, an environmental policy statement and use vegetable-based inks
- all the paper we use for our publications is FSC-accredited (made from wood fibre from sawmill residues, forest thinnings and/or well-managed sustainable forests), recyclable and bio-degradable
- we include the environmental policy and initiatives in new staff inductions.

In recent years we have implemented a number of initiatives to help reduce the carbon footprint of our events, and in particular our annual conference and exhibition.

Transport

- we encourage delegates to travel by public transport or car share, and employ emission-free car services for delegate use

Stage set, lighting and sound

- recent developments in LED technology mean that we have been able to significantly reduce the carbon footprint of our annual conference. We shut down

all technical equipment overnight and during any long stand-by periods during the day in order to reduce power consumption. Wherever possible, elements are reused and when they reach the end of their usable life are responsibly disposed of to minimise landfill

The exhibition

- our supplier uses state-of-the-art, sustainable exhibition products, including reusable shelf-scheme stands, reusable electrical installation, fully recyclable carpet and lower wattage lighting (35w). They have also introduced Euro 5 engines to their HGV fleet, significantly reducing emission levels. Our exhibition stand contractor adheres to the guidelines laid down by BECA (British Exhibition Contractors Association) and its environmental policy. Our conference stand is used twice a year and, where possible, all materials used are recyclable

Employment policies and practices

Equal opportunities policy

We are committed to equal opportunities in all aspects of employment – including our recruitment and selection process, our terms and conditions of employment, career development and promotion opportunities, and grievance and disciplinary procedures – and encouraging diversity amongst our workforce. Our aim is to develop working practices and create a working environment that enables staff:

- to be treated with respect and dignity
- to be treated fairly with regard to all procedures, assessments and choices
- to receive encouragement to reach their full potential.

We seek to ensure that all staff are free from unlawful discrimination, victimisation or harassment on the grounds of race (including ethnic origin, colour, nationality and national origin), gender (including sex, marital status or gender reassignment), disability of any kind, religion or belief, sexual orientation, age, and trade union activity.

Single equality scheme

As part of our commitment to embed a culture of inclusiveness throughout the organisation, we run a single equality scheme that sets out who we are, our staff profile, why equality, diversity and human rights are important to us, and what we will do to ensure we meet the standards which we have set for ourselves and those our members would expect of us.

The scheme is designed to help:

- embed equality and diversity awareness in our mainstream activities and ensure that our staff are trained and resourced to undertake equality impact assessments
- ensure that our services are accessible to all and make sure that those organisations we procure services from consider their own role in promoting equality and diversity.

It also sets out how we support our members around equality and diversity issues. The single equality scheme is a living document, subject to review and refinement, and we welcome any comments and suggestions from our members and stakeholders. You can contact us at enquiries@nhsconfed.org

Staff involvement and consultation forum

Our staff information and consultation forum is designed to ensure staff involvement in the work of the organisation and provides a way to keep staff informed on business ideas, proposals and developments. Members of staff are elected onto the forum, whose role is to represent staff, actively seek their views and responses on matters of consultation, act as sounding board for business initiatives, and keep employees informed on our business strategy and developments. Each member of staff has a forum representative through whom they can feed in their views. The chief operating officer and head of human resources actively support the forum.

Finance

Overview

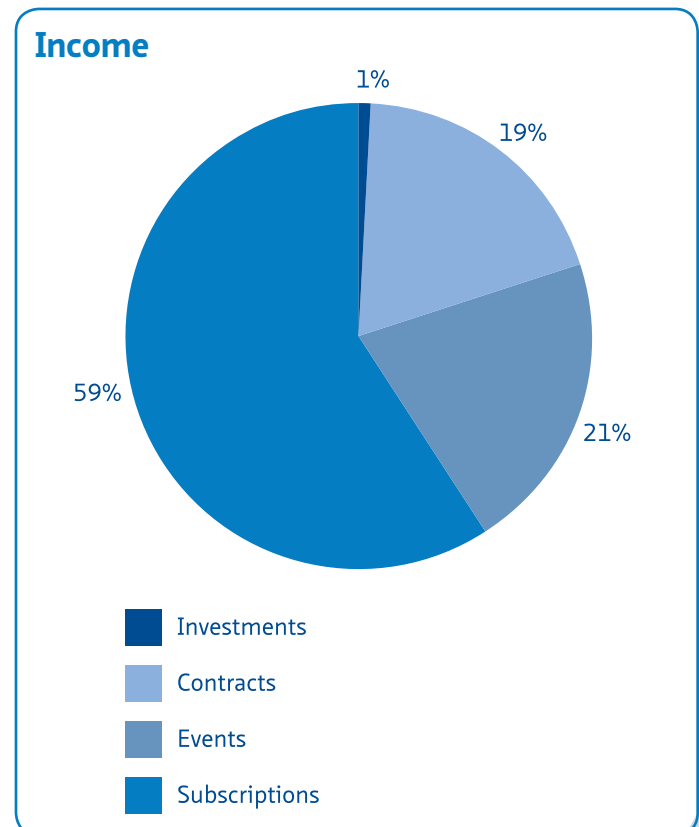
The work of the NHS Confederation Charity is conducted through two trading subsidiaries, the NHS Confederation Group Co Ltd, the membership organisation, and the NHS Confederation (Employers) Co Ltd, the workforce support organisation.

For the year to 31 March 2011, the NHS Confederation Group Co Ltd generated a total income of £11.7m and the NHS Confederation (Employers) Co Ltd generated a total income of £14.7m.

	Income 2010/11	Income 2009/10
NHS Confederation Group Co Ltd	£11.7m	£12.2m
NHS Confederation (Employers) Co Ltd	£14.7m	£18.4m
Total	£26.4m	£30.6m

Income generation

Within the NHS Confederation Group Co Ltd, income is generated from a number of different activities. Membership subscriptions to the NHS Confederation and its networks constitutes 59 per cent of the total income. A further 21 per cent of income is generated through events, the largest of which is the Annual Conference and Exhibition. Income generated from events is a combination of delegate charges, hiring of exhibition space and sponsorship. The NHS Confederation also has a number of contracts to support the delivery of industry-wide support functions such as the NHS European office and research networks. A final one per cent of income is generated through managing cash flow.

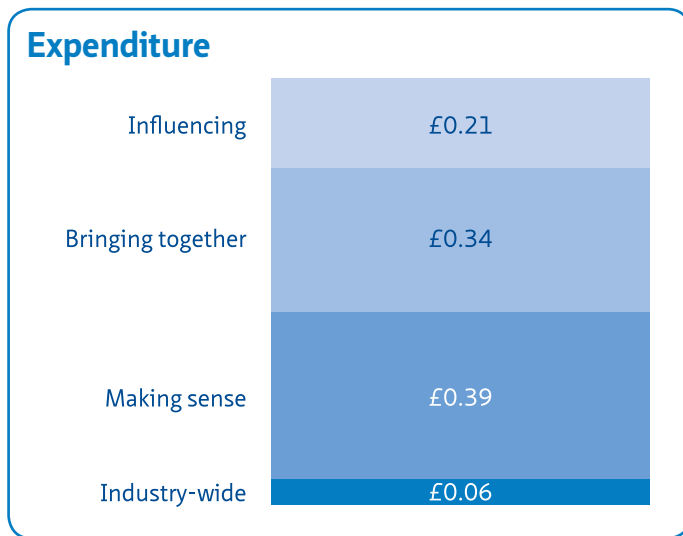


Expenditure

The NHS Confederation carries out a number of core functions:

- influencing healthcare policy
- making sense of the whole health and social care system
- bringing together all parts of the NHS to help tackle system-wide issues
- delivering industry-wide support functions.

The chart below demonstrates how every £1 of our members' subscription fee is spent on delivering these core functions.





NHSCONFEDERATION



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