

2015 Quarter 1

Market Insight

NHS



Contents

NHS

04	Foreword	16	Contact us: NHS IT & Information
06	Corporate Interim	17	Contact us: NHS Corporate
10	IT & Information Interim	18	Contact us: NHS Permanent & Search
14	Permanent		



Foreword



What a difference a quarter makes. In stark contrast to Q4 2014, Q1 2015 saw a marked increase in job flow across most NHS organisations, geographies and role types. Job flow is up 14% quarter on quarter (QoQ), and the pace at which new vacancies were registered held up as we moved into Q2. The geographies we supplied into during Q1 increased, as did the number and nature of organisations. Interestingly, the roles were more diverse than in Q1, which has skewed some of the trending we usually report on. However, this dynamism is exciting and creating pressures and opportunities in areas we couldn't have predicted three months ago.

One constant message that we are hearing during this period of flux is the requirement for greater value from agencies, and the need to eliminate non-framework agent spend by the NHS. This was recently referenced in some high-profile announcements by Jeremy Hunt. Consequently, it would be remiss not to mention the new CCS non-medical, non-clinical framework (effective as of July 1st): Badenoch & Clark scored very highly on the selection criteria and is proud to announce our place on this NHS supply framework once

more. Importantly, our rates are significantly lower than on the previous framework, so it follows that we now offer the NHS exceptional value for money when it comes to the procurement of interims/contractors. Our specialist NHS recruiters are incredibly excited about the alignment of value sought by the NHS and that offered by Badenoch & Clark.

We hope you enjoy the new look of this market insight and as ever I welcome your thoughts and feedback.



Tracey Sherring
Operations Director - NHS



Corporate Interim

Market observations

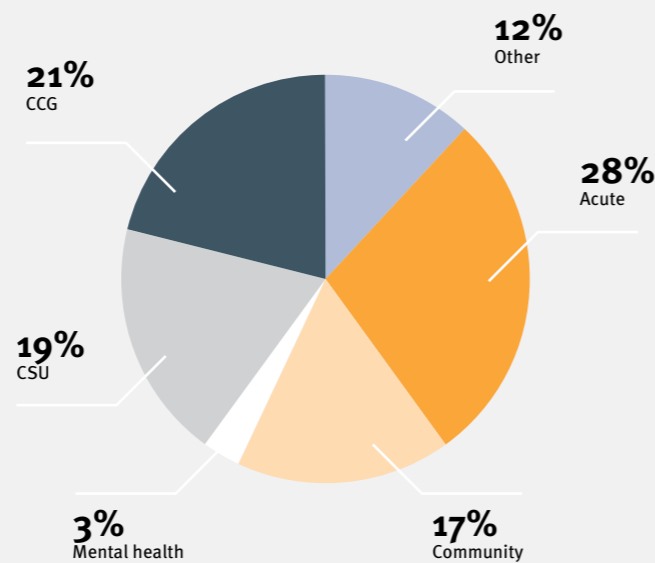
Job flow rose significantly after the election – especially in the final two weeks of June – to deliver QoQ growth of nearly 8%. NHS hiring intentions certainly seem more confident now the General Election is out of the way: organisations have reported more confidence in their budgets and strategic development, allowing them to invest/re-invest in programmes. Beyond that, the election skew has made it difficult to discern strong hiring trends.

In the commissioning space, we have noticed an increased focus on integrated care between the CCGs and local authorities. As highlighted by an increasing demand for interim commissioners with this experience, it is interesting to see how those relationships evolve, and the impact on consequential hiring, depending on whether the CCG or Local Authority lead on the work.

Continuing the CCG theme, we are still seeing significant demand (21% of our job flow) from CCGs as they bring more roles in-house. Looking at chart 1, our job flow from CSUs also had a sizeable increase (from 3% to 19% QoQ) as other CCGs distributed work out to them; this dynamism in the commissioning environment is one we will watch closely.

Finally, whilst demand from Acute Trusts went up by 2% (26% to 28% QoQ), in real terms, the volume of roles actually decreased. A recent sense-check of the market in this space revealed the primary cause of this softening in demand to be budgetary and cost pressures.

CHART 1 - CORPORATE INTERIM REQUESTS BY ORGANISATION TYPE



Job flow rose significantly after the election – especially in the final two weeks of June

Hiring activity

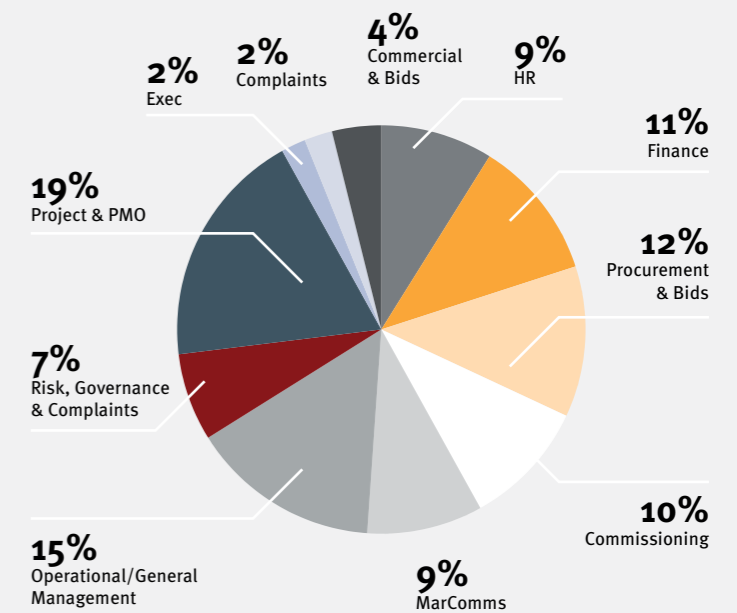
Organisational development interims dominated the composition of the human resources roles we received, as these organisations sought to up skill existing staff and initiate the process of cultural change/ assimilation.

There was increased demand for procurement and bid professionals (up from 5% to 12% QoQ) for several reasons. Firstly, procurement functions are still under huge pressure to drive down costs wherever they can, consequently needing specialist experience in this area to achieve efficient cost savings. Secondly, with the NHS now operating in a more open market, the competition for winning services has also increased, in turn strengthening demand for specialist bid writers/managers.

Elsewhere, commissioning experience is still very much in demand (10% of job flow), particularly around mental health and primary care. With year end over, demand for finance interims has declined (24% to 11% QoQ), but we have seen a marked increase in the demand for turnaround specialists and interims with strong financial recovery experience as Acute Trusts seek to deliver against challenging fiscal goals. Finally, demand for PALS, complaints and governance interims has increased (up from 4% to 7% QoQ) as organisations prepare themselves for Monitor/CQC/TDA assessments.

The NHS market has recently seen several mergers of both whole organisations and back-office functions.

CHART 2 - CORPORATE INTERIM REQUESTS BY ORGANISATION TYPE



Corporate Interim

Pay rates

It will probably come as no surprise that budgets and pay rates are under increasing downward pressure (in some areas, down by 5%-10% over the last 12 months). We are starting to see some interim roles being released with a budget directly equivalent to substantive pay; these roles have typically taken much longer to secure good candidates for as there is a premium paid for interims. In these instances, the hidden costs of failing to recruit the right person quickly created far more urgency around the original requirement. In most cases the organisation then found the budget to pay for an interim with the right skills, experience and competencies to get the job done.

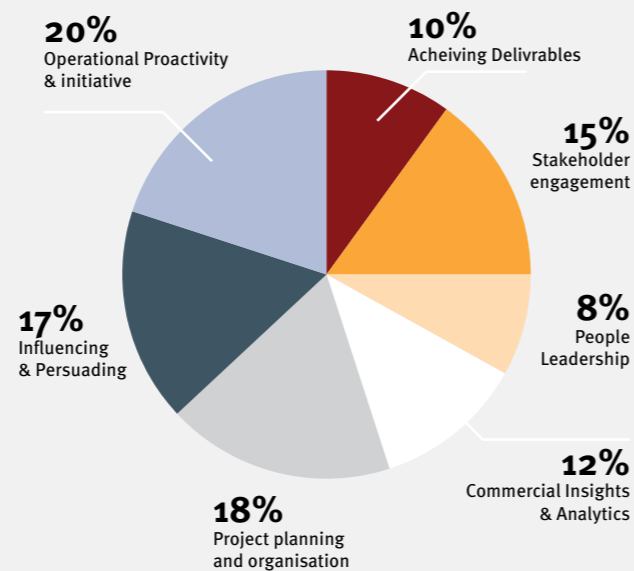
That said, in many areas — particularly across HR, finance and communications roles — candidates have had to be more competitive to secure the right roles. Conversely, there are roles where candidates are in high demand, and pay rates are unrelenting — especially in the operations and commissioning areas. When budgets are immovable, some NHS organisations are winning over candidates by offering flexible working arrangements, which (for some interims) is of far greater importance than the day rate. However, we are still seeing some candidates take flight to the private sector where rates haven't been matched.

We note with caution that the tightening of the candidate market is such that downward movement is unsustainable and market forces of supply and demand will dictate the price an organisation has to pay for the right resource. Fortunately for the NHS, assistance may come via the reduced rates offered when interims are hired through the new CCS NMNC framework.

Regardless, those candidates with the most advanced competencies for their particular roles (see chart 3) are always able to justify and command the highest rates in the market. Post-placement feedback tells us that these interims also deliver the best value — highlighting the importance of understanding and vetting for the competencies that will promote high performance in the assignment.

Post-placement feedback tells us that these interims also deliver the best value

CHART 3 - CORPORATE ROLE COMPETENCIES IN DEMAND



Next quarter outlook

As mentioned in the foreword, one message being driven from the top in Q1 has been value for money. With the new CCS framework in place as of 1st July, and a new taskforce being created by Monitor to eradicate wasteful agency spend, we hope the NHS channels all NMNC recruitment via this framework in the pursuit of value. This will deliver significant savings to the NHS, and the added benefit of having suppliers who are able to advise and deliver value due to greater market leverage.

Recruitment activity in the post-election summer is often erratic across corporate roles; we expect this to be the case as NHS organisations battle with employees on annual leave, whilst trying to urgently address numerous and diverse initiatives — such as integrated care, co-commissioning, new models of primary care, transformation, cost improvement, out of hours services, service line reporting and wider organisational change.



Some NHS organisations are winning over candidates by offering flexible working arrangements, which (for some interims) is of far greater importance than the day rate



Given these pressures, many NHS organisations are already advising that use of interims is inevitable and absolutely necessary for the workforce to remain cost effective and agile

In many areas — particularly across HR, finance and communications roles — candidates have had to be more competitive to secure the right roles

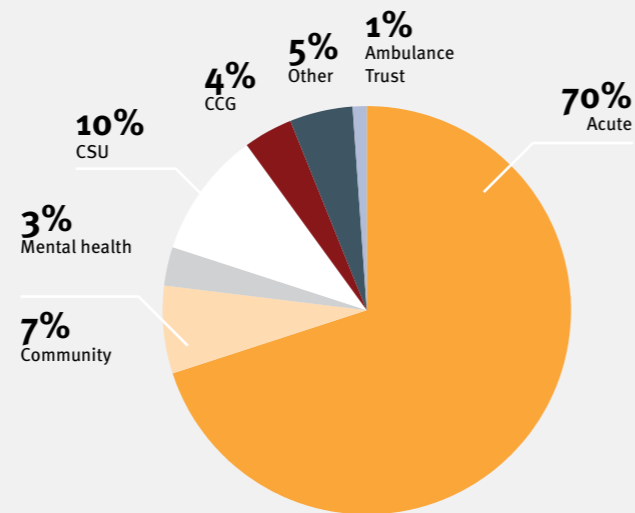
IT & Information Interim

Market observations

Across the NHS IT & Information market we are seeing improved job flow, although not as marked as in the corporate markets (7% growth QoQ). Looking at chart 4, most of this growth has come from Acute Trusts which still account for the largest demand (70% of job flow). Budgets certainly seem to have been set aside in a good number of Trusts to improve infrastructure; additionally, with most Trusts now having budgets in place, plans are being shaped for 2015/2016 – especially where informatics-led systems implementations continue to be high priority.

Plans are being shaped for 2015/2016

CHART 4 - IT & INFORMATION REQUEST BY ORGANISATION TYPE

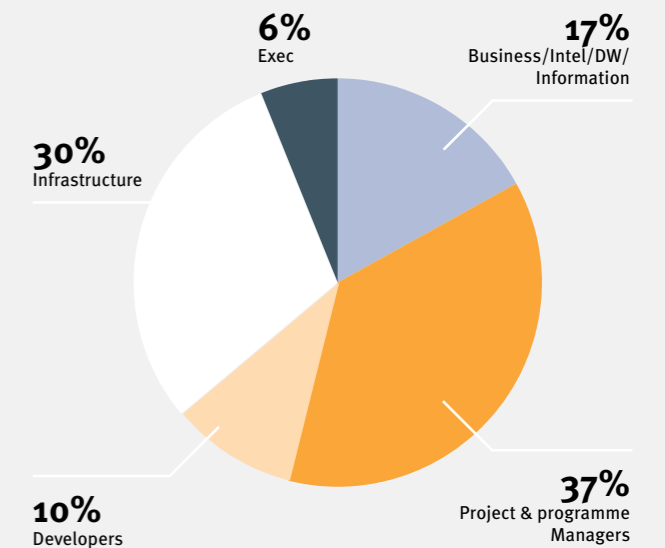


Hiring activity

In reference to chart 5, project and programme management roles dominate with 37% of jobs in Q1 (up 2% proportionately QoQ). Specifically, we have seen an increase in projects involving business analysis as NHS organisations strive with renewed vigour towards real-time performance data in an effort to support strategic decision-making. We also attribute this to an increase in the number and complexity of reports that information and performance departments need to provide internally and externally, creating demand for specialist knowledge of data sets and integrated reporting. Combine this with a widening of the disparity between permanent versus contractor rates for information analysts and BI developers and you'll start to see that a greater reliance on interims is inevitable.

This comes at the sacrifice (proportionately) of EPR and clinical systems focused project contractors (down 4% QoQ). However, referencing the data in chart 6, EPR projects (even replacements) seem to be back on the radar for a number of Trusts – with infrastructure projects accounting for the next most popular project type.

CHART 5 - IT & INFORMATION INTERIM REQUEST BY ROLE TYPE





IT & Information Interim

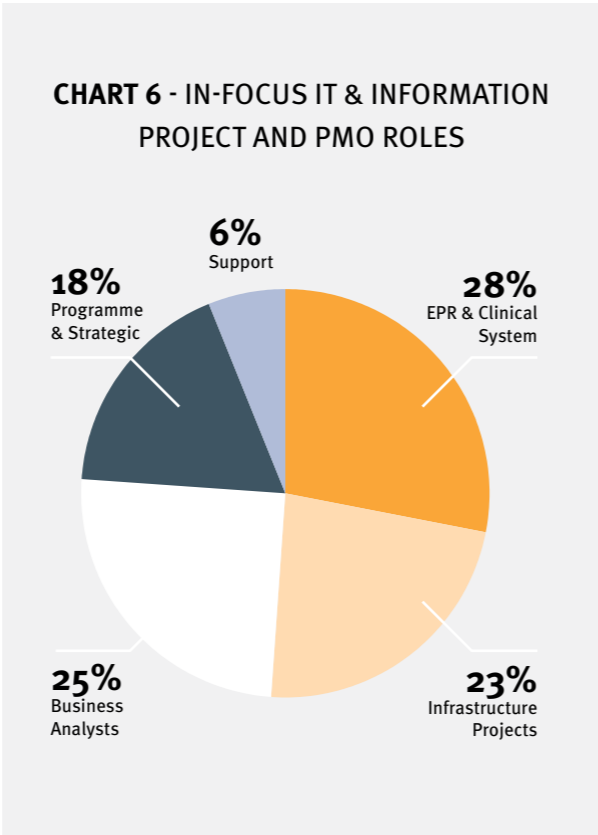
We have seen an increase in applications stalling before they get to offer stage

Pay rates

Hiring managers are being fairly fixed regarding rates, and have shown little flexibility when hiring. Contractors continue to have multiple applications in progress at any one time, and we have seen an increase in applications stalling before they get to offer stage. Increasingly this is due to rates: contractors are able to command the same rates (generally speaking), as the market outside of the NHS is so buoyant.

Interestingly, we're finding that requirements have a much shorter time span between agency engagement and contractor start date. As we have seen in the corporate markets, this seems to be attributable to the additional processes and controls around signoff for agency staff, creating a need for immediate contract start once the budget is successfully assigned. Candidates who are available immediately are therefore holding a much stronger financial position in negotiation scenarios than we have seen of late.

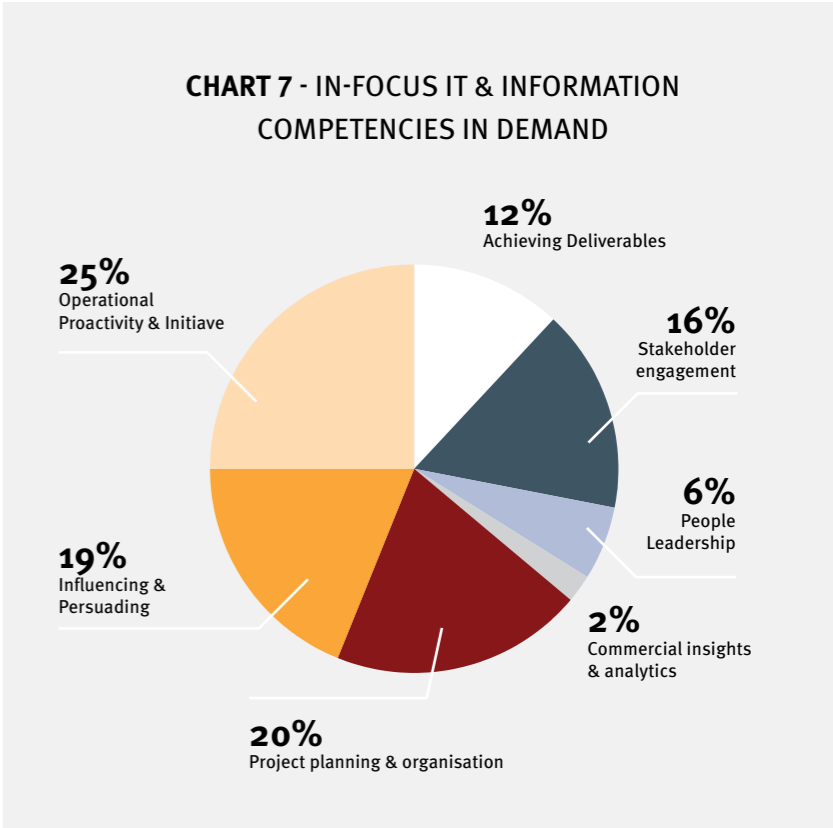
As with corporate interims, the most competent contractors (see chart 7) are able to command the highest rates and deliver the best value – again, highlighting the importance of understanding and vetting for the competencies that will promote high performance in a contract.



Next quarter outlook

Trusts that have deployed new EPRs are now discussing upgrade projects and other clinical systems to link in. We expect this to mean continued demand for project contractors with strong clinical systems experience.

Throughout Q2 we saw an increase in the number of interim project managers being tasked with writing the business case for system procurement and implementations due the following quarter. We therefore expect to see an increase in IT project related requirements within PPM, business analysis, change management and training. Elsewhere, there has been increased demand for contractors to implement clinical portals, system interfacing, mobile applications and mobile working technology. We expect this to remain a busy area as we move into the second half of the year.



Contractors continue to have multiple applications in progress at any one time



Permanent

Market observations

Recruitment volumes remained consistent through the summer months; overall the search market was not affected by the General Election in the same way as the rest of the public sector. Trusts began the new financial year by prioritising long-term cost savings; this remains more pronounced across the interim market, but the desire for longer-term solutions to these challenges are beginning to filter through to senior permanent requirements, with response to the Five Year Forward View becoming more and more central to Trust's thinking.

Interestingly, there has been a marked decline in the number of applicants for NED positions, and Chair roles in particular. Anecdotal evidence suggests that concerns around increased challenge and risk are key factors here, with recent events at Barts, amongst others, being seen as a salutary warning. In turn this appears to be driving Boards to favour individuals with previous NHS experience — the knock-on effect being a small talent pool that is not being refreshed. It would appear that safer choices are being made, but not necessarily better ones.

Hiring activity


As we'd expect given the constant state of change and flux across all parts of the NHS landscape, high-quality project/PMO/change experience is trading at a premium in a market dominated by interims, who as yet see no reason to cross to the other side of the fence. The commissioning market has experienced increasing levels of activity, focused on bolstering consulting capacity and capability — moving beyond “pure” project/PMO skill sets towards true change advisory and delivery experience, albeit with a relatively narrow commissioning focus.

Transformation and change experience continues to be the golden thread running through requirements in Acute Trusts in particular, combined with strong operational leadership experience. Performance pressures are increasing the trend for clients to narrow their focus on directly transferable experience gained within similar organisations; we are now operating in an increasingly risk-averse market. Examples of employers seeking professionals with experience gained outside of the NHS remain depressingly few and far between for much the same reason. Even then, the desire is for individuals who have a foot in both camps in terms of experience.


Next quarter outlook

We expect role requirements to continue to grow as new and increasing commercial, budgetary and performance demands need to be dealt with. These pressures are also leading to a continued reduction in instances of people being recruited into developmental roles. Perhaps not unreasonably there is much more emphasis on people arriving fully formed and able to hit the ground running.

There are early signs of an increasing receptiveness to local government experience in parts of the market, but as yet this is a limited trend that will no doubt grow more rapidly as the pace of integration increases. It is also too early to see pressure (financial or political) affecting the senior interim market in a way that increases opportunity for those seeking a permanent role, but that time will undoubtedly come.



Overall we are seeing roles becoming more complex and demanding, and the experience threshold being raised ever higher whilst clients' horizons narrow in terms of attractive experience profiles.



NHS IT & Information



Badenoch & Clark NHS Professionals



@BadenochNHS

NHS Corporate



Badenoch & Clark NHS Professionals



@BadenochNHS

Manchester Office	Birmingham Office	London Office	Leeds Office	Birmingham Office	London Office
12th Floor, Lowry House, 17 Marble Street, Spring Gardens Manchester, M2 3AW 0161 838 7920	35 Livery Street, Birmingham, B3 2PB 0121 234 9200	Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4BG 0207 634 0100	1st Floor, Civic Court, Calverley Street, Leeds, LS1 3ED 0113 231 4545	35 Livery Street, Birmingham, B3 2PB 0121 234 9200	Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4BG 0207 634 0100
Stephen Wooldridge – Manager stephen.wooldridge@badenochandclark.com	Richard Haaker – Senior Manager richard.haaker@badenochandclark.com	Dean Cordingley – Senior Manager dean.cordingley@badenochandclark.com	Stuart Douglass – Senior Manager stuart.douglass@badenochandclark.com	Richard Haaker – Senior Manager richard.haaker@badenochandclark.com	Dean Cordingley – Senior Manager dean.cordingley@badenochandclark.com
David Nottage – Senior Consultant david.nottage@badenochandclark.com	Sally Taylor – Business Manager sally.taylor@badenochandclark.com	Phil Bones – Principal Consultant phil.bones@badenochandclark.com	Louise Simington – Executive Consultant louise.simington@badenochandclark.com	James McLeod – Executive Consultant james.mcleod@badenochandclark.com	Robert Rendle – Principal Consultant robert.rendle@badenochandclark.com
Jak Gorrie – Recruitment Consultant jak.gorrie@badenochandclark.com	Stacey Edwards – Principal Consultant stacey.edwards@badenochandclark.com	Sibel Etem – Senior Consultant sibel.etem@badenochandclark.com	Nadeem Ghani – Senior Consultant nadeem.ghani@badenochandclark.com	Hardeep Sangha – Recruitment Consultant hardeep.sangha@badenochandclark.com	Priya Shah – Recruitment Consultant priya.shah@badenochandclark.com
Amin Raza – Recruitment Consultant amin.raza@badenochandclark.com	Pratima Patel – Senior Consultant pratima.patel@badenochandclark.com	John Gross – Senior Consultant john.gross@badenochandclark.com	Nathan Quinn – Recruitment Consultant nathan.quinn@badenochandclark.com	Tom Ratcliffe – Recruitment Consultant tom.ratcliffe@badenochandclark.com	Louis Lo – Recruitment Consultant louis.lo@badenochandclark.com
	Adam Cotterill – Senior Consultant adam.cotterill@badenochandclark.com	James Gray – Recruitment Consultant james.gray@badenochandclark.com			
	Vicky Mundell-Rigg – Recruitment Consultant vicky.mundell-rigg@badenochandclark.com				

NHS Permanent & Search



Badenoch & Clark NHS Professionals



@BadenochNHS



London Office

Millennium Bridge House,
2 Lambeth Hill,
London, EC4V 4BG

0207 634 0100



David Hunter – Business Director

david.hunter@badenochandclark.com

Gemma Matin – Recruitment Consultant

gemma.matin@badenochandclark.com

Denean Rowe – Researcher

denean.rowe@badenochandclark.com

Tom Beddard – Researcher

tom.beddard@badenochandclark.com

Contact us

Take the first step in a lasting partnership. Contact us to discuss your career or business goals.

Aberdeen

Suite M, Woodburn House
5 Golden Square
Aberdeen, AB10 1RD, UK
+44 (0)1224 261 730
aberdeen@badenochandclark.com

Birmingham

Part 5th Floor,
35 Livery Street,
Birmingham, B3 2PB
+44 (0)121 234 9200
birmingham@badenochandclark.com

Brighton

3rd Floor,
Ovest House,
58 West Street,
Brighton, BN1 2RA
+44 (0)1273 628 243
brighton@badenochandclark.com

Bristol

101 Victoria Street,
Bristol, BS1 6BH
+44 (0)117 930 8534
bristol@badenochandclark.com

Cambridge

53-54 Sidney Street,
Cambridge,
Cambridgeshire, CB2 3HX
+44 (0)1223 341 7000
cambridge@badenochandclark.com

Edinburgh

3rd Floor,
The Capital Building,
13 St Andrew Square,
Edinburgh, EH 2AF
+44 (0)131 524 9020
edinburgh@badenochandclark.com

Glasgow

17a Blythswood Square,
Glasgow, G2 4AD
+44(0)141 220 6460
glasgow@badenochandclark.com

Leeds

First floor,
Civic Court,
Calverly Street,
Leeds, LS1 3ED
+44 (0)113 231 4545
leeds@badenochandclark.com

London Head Office

Millennium Bridge House,
2 Lambeth Hill,
London, EC4V 4BG
+44 (0)20 7634 0100
londoncity@badenochandclark.com

Manchester

12th Floor,
Lowry House,
17 Marble Street,
Spring Gardens
Manchester, M2 3AW
+44 (0)161 838 7920
manchester@badenochandclark.com

Middlesbrough

10 Albert Road,
Middlesbrough,
North Yorkshire, TS1 1QA
+44 (0)164 226 1019
middlesbrough@badenochandclark.com

Milton Keynes

Part 2nd Floor,
Chancery House,
199 Silbury Boulevard,
Milton Keynes, MK9 1JL
+44 (0)190 820 2700
miltonkeynes@badenochandclark.com

Newcastle

Apollo House,
Northumberland Road,
Newcastle, NE1 8JF
+44 (0)191 269 9520
newcastle@badenochandclark.com

Norwich

41 Prince Of Wales Rd,
Norwich, NR1 1BL
+44 (0)1603 729 630
norwich@badenochandclark.com

Nottingham

3rd Floor Angel House,
12-13 Cheapside,
Nottingham, NG1 2HU
+44 (0)115 958 6777
nottingham@badenochandclark.com

Reading

3rd floor,
St Mary's House,
Reading, RG1 2LG
+44 (0)118 959 1800
reading@badenochandclark.com

© Badenoch & Clark 2014. All rights reserved. The information contained in this publication is intended for general purposes or guidance only. It does not purport to constitute professional advice. Badenoch & Clark accepts no liability for the accuracy of the contents or any opinions expressed herein.