

hfma briefing

Contributing to the debate on NHS finance
February 2012

NHS finance function census 2011

Foreword



The NHS finance function has helped to build a firm financial foundation in recent years. As the NHS faces major challenges – both in terms of delivering unprecedented productivity improvements and significant structural reform – the finance function will need to continue to take a prominent role.

Beyond the maintenance of financial control, finance will need to work closer and closer with clinicians to develop a greater understanding of variations in cost and clinical practice, identify opportunities for improvement and inform the development of better patient pathways. Tools such as service line management, patient level costing and Lean will all be needed to help the NHS meet its goals.

Inevitably, the changes and requirement for efficiency will have an impact on the NHS finance function – for example, commissioning finance staff could in future be within clinical commissioning groups, the NHS Commissioning Board or new support units. But there will also be new challenges for finance staff and requirements for new skills and new ways to deliver services or harness technology.

The NHS finance function census was first run in its current form in 2009 as a collaboration between the HFMA and the NHS Finance Skills Development team. This second census provides an updated

snapshot of the function in the summer of 2011. It provides an opportunity to track changes in the past two years and set a baseline against which future changes can be measured.

In headline terms, this new census shows a reduction in core NHS finance staff of nearly 7% since the last collection and slight shift towards a higher skill mix.

Clearly there is no simple answer to the question 'what size should the finance function be?' It is the result of assessments made in local organisations about numbers and skill mix needed to deliver the required statutory functions and decision support. But the census aims to improve understanding of the make-up of the finance function and provide a portrait of the 'average' finance department across various types of organisation.

It is not a mandatory collection. But at more than 99% the response rate is excellent and makes the census a valuable, robust source of data. We are grateful for the collaboration of FSD and support of the Department of Health and SHA finance directors. We are particularly grateful to those in local organisations who took time to submit their returns.

Sue Jacques, HFMA president

In association with



Shaping healthcare finance...



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Introduction

This is the second NHS finance function census. The first, in 2009, was developed as part of the HFMA's 'world class finance' initiative. It built on earlier work by NHS Finance Skills Development, but provided a more comprehensive view of the English finance function, both in terms of breadth and granularity.

The 2009 census was the first occasion on which the NHS finance function had been analysed to show levels of seniority (measured by Agenda for Change pay bands).

This report is based on new census data, collected in 2011. The 2011 census gathered staff data as at 30 June 2011. It was recognised up front that this would be particularly challenging for organisations involved in restructuring as part of the ongoing healthcare reforms. In most cases for commissioning bodies, data was collected on the basis of individual PCTs. However, in some areas, data was submitted by PCT clusters and in many cases the analysis is across PCT clusters.

For commissioning bodies, these staffing levels should be seen as the starting point for finance teams. Significant changes are expected over the coming years.

COMPARISONS WITH 2009

In 2011, two groups of staff previously unrecorded in the census were added to the headcount of NHS finance staff.

Finance secretaries are now included. This group alone makes up nearly 450 of the overall finance headcount – just slightly more than one per organisation.

Agency staff working to cover long-term absences or undertaking project work were also added to the census baseline. There were just over 600 agency staff included in the overall headcount.

In total this means the census counted more than 1,000 staff who would not have been included in the 2009 census. The HFMA was keen to establish the proper baseline for finance staff, hence the changes. But it also recognises the value in comparing 2011 data with that in 2009.

Where possible, staff numbers have been analysed using the new census definitions, including secretaries and agency staff, and with the old census definitions. The old definitions allow for 'like-for-like' comparisons with 2009.

Slight changes in the definitions used for those included in the census mean that comparison is not straightforward. However, where possible the 2011 data has been re-analysed across the same definitions used in 2009 to enable 'like-for-like' comparisons between the two years (see box below).

Differences in staffing levels between organisations can arise for various reasons. This can be due to efficiency, the difference in functions provided, decisions on in-house versus outsourcing and the provision of financial services for other organisations. Staffing levels need to be viewed in this context.

This is not to undermine the value of the analysis, but overly simplistic comparisons between organisations should be avoided. However, the data provides a useful trigger for organisations to interrogate and challenge their own staffing levels.

At a national level the data shows how the NHS finance function is made up. It shows how finance staff are split by function (for example, financial management and financial accounting) and by levels of seniority. The census also examines more detailed analysis of the qualification mix among qualified accountants and looks at the male/female split across the whole function at various levels within the function.

Census response

The census asked respondents to fill in their returns to reflect staffing levels at the end of June 2011. Many organisations completed their returns by the original deadline (beginning of September), but the census was closed at the end of October.

A total of 414 core NHS organisations took part in the census, although this includes four in-house community services providers, which were still part of primary care trusts at the time of the census.

Staff in these community service providers, while only having a minimal impact on overall totals, have been separated out to provide a more accurate figure for the finance support provided purely within the commissioning sector.

The 414 core NHS organisations represent more than 99% of the total 416 organisations in the English NHS. Just two foundation trusts did not submit returns. The organisation total counts individual PCTs (151 in total), although much of the analysis within

this briefing is on the basis of the 50 clusters into which PCTs were reorganised, largely in the first quarter of 2011/12.

The briefing also analyses staff breakdown across the 10 strategic health authorities in place at the end of June 2011.

The value of the census is enhanced by its comprehensive coverage and this is thanks to the organisations taking part, in particular the FSD leads within those organisations. The good response is also a direct result of the work of SHA FSD managers (see box, 'A combined effort', overleaf).

The 2011 response rate is an almost mirror image of the response rate in 2009, when again just two FTs failed to submit returns by the deadline (different FTs to this year). The 414 organisations in the 2011 return compare with 400 (out of 402) included within the 2009 return.

The increase in the number of organisations reflects:

- 15 new free-standing community trusts
- 4 community services remaining in-house at the time of the census and counted separately
- Mergers in the intervening years.

In particular, the FT community has grown from 122 in 2009 to 137 in 2011.

The census also includes 29 'other' organisations, including audit consortia, shared services agencies and separate specialised commissioning organisations.

Different reporting arrangements in different parts of the country mean that in some areas returns for these type of organisations will be included with the returns of their host organisations. Staff in these organisations are NHS employees delivering services to NHS bodies and are an integral part of the NHS finance family.

Including 'other' organisations, a total of 443 organisations submitted returns to the census, compared with 419 in 2009. For the purposes of this briefing, 'total' NHS finance staff will mean staff in all organisations (including 'other' organisations) unless otherwise stated.

The value of the census is enhanced by its coverage and this is thanks to the organisations taking part, in particular the FSD leads



TABLE 1: CENSUS RESPONSE BY ORGANISATION TYPE

Organisation type	Number of organisations in census	Total organisations in NHS
FT acute	93*	95
FT ambulance	2	2
FT mental health	40	40
NHS trust acute	76	76
NHS trust ambulance	9	9
NHS trust community	15	15
NHS trust mental health	14	14
PCT	151	151
(PCT clusters)**	(50)	(50)
In-house community services ***	4	4
Strategic health authority	10	10
Total core organisations	414	416
Other	14	14
Audit	8	8
Shared services	7	7
Total other organisations****	29	29
Total all organisations	443	445

* Two FTs did not submit returns – one each in East of England and South Central SHAs.

** At the time of the census, 51 clusters were planned. However, due to a subsequent merger between Leeds PCT and Bradford and Airedale PCT, commissioning staffing levels have been analysed across 50 clusters to reflect the position going forward.

*** Four 'in-house' community services providers filed separate returns as they were still part of PCTs at the census date. However, their staff totals have been kept separate so that PCT/cluster staffing levels better reflect the finance staffing levels within the commissioning sector.

**** These are the stand-alone 'other' NHS organisations recognised by SHA FSD managers. However, it is recognised that there will be more 'other' organisations across the NHS with staffing levels often included within the returns of host trusts, FTs and PCTs.



Overall and core NHS headcount

The 443 organisations taking part in the census reported a total establishment for the NHS finance function of 15,865, including staff in post of 15,194 whole time equivalents. This suggests vacancies of just over 670 – or 4%.

Vacancies were highest in South East Coast at 7%, while no SHA area exhibited vacancy rates lower than 3% (see table 2). The same 443 organisations reported a total headcount of 16,368, reflecting part-time and job-share working arrangements.

The 2011 census includes staff not included in 2009 (finance secretarial staff and interim/agency staff covering long-term absences or undertaking project work – see box, page 2). When these additional staff are stripped out, the census headcount represents a

reduction of 950 staff compared with the 2009 headcount – a 6 % reduction.

The breakdown of the different organisational types reported in each SHA area is shown in table 3. Using the comparable 'like-for-like' figures, the change in finance staff numbers ranges from a reduction of 20% in South Central to no change in the West Midlands.

Counterbalancing these reductions, there has been an increase in the number of 'other' organisations recorded in the census. These organisations include shared services organisations, audit consortia, specialist commissioning bodies and a few social enterprises.

This is not a comprehensive list of such organisations, but represents the separate bodies

TABLE 2: STAFF IN POST AND VACANCIES BY SHA

	Establishment WTE	Staff in post WTE	Vacancies WTE	Vacancy rate %	Staff in post headcount
North East	737	713	24	3	785
North West	2,744	2,667	77	3	2,861
Yorkshire and the Humber	1,630	1,584	46	3	1,725
East Midlands	1,174	1,118	56	5	1,196
West Midlands	2,029	1,922	107	5	2,086
East of England	1,490	1,427	63	4	1,560
London	2,655	2,527	128	5	2,659
South East Coast	1,165	1,084	81	7	1,143
South Central	714	692	23	3	738
South West	1,526	1,462	64	4	1,615
Total	15,865	15,194	671	4	16,368

* The 2011 census used a broader base for collecting finance staff numbers. In addition to the 2009 staff definitions, the census included agency staff either covering a vacancy or undertaking a project within the overall headcount. Finance department secretaries were also included for the first time. These staff have been stripped out of the 2011 data to enable direct comparison with 2009 data.

TABLE 3: ORGANISATIONAL BREAKDOWN BY SHA

	Staff in post headcount	Like-for-like staff in post (headcount less admin less agency)	Organisation turnover (£m)	FT acute	FT ambulance	FT mental health	NHS trust acute
North East	785	769	8,806	8	0	2	0
North West	2,861	2,692	23,821	22	0	6	9
Yorkshire and the Humber	1,725	1,643	16,441	11	0	5	4
East Midlands	1,196	1,143	13,915	5	0	3	5
West Midlands	2,086	1,933	17,567	9	0	3	11
East of England	1,560	1,444	16,138	9	0	5	8
London	2,659	2,438	28,638	9	0	7	20
South East Coast	1,143	1,059	12,089	6	1	2	6
South Central	738	683	9,840	2	0	3	7
South West	1,615	1,509	14,961	12	1	4	6
Total	16,368	15,313	162,216**	93*	2	40	76

* Two acute FTs, one each in East of England and South Central, did not submit returns.

** Total exceeds NHS allocation as it includes double counting of the element of PCT allocations spent with NHS trusts/FTs.

recognised by SHA FSD managers. In other areas, finance staff working for similar bodies may have been included in the returns of core NHS bodies (FTs, trusts, PCTs or SHAs).

There were 15,670 staff working in FTs, NHS trusts, PCTs and SHAs. Using the same definitions as 2009 for staff included in the census, the core NHS headcount amounted to 14,669, representing a fall of 1,082 or nearly 7% of the 15,751 core staff recorded in 2009 (see table 4 overleaf).

In addition to staff reductions in these organisations as a result of higher productivity or changed requirements, this will also reflect outsourcing of transactional services to shared services suppliers. (A small number of staff have also transferred to social enterprises.)

A COMBINED EFFORT

The NHS finance function census is the result of a collaboration between the HFMA and NHS Finance Skills Development. The FSD team has long undertaken a high-level census of the NHS finance function, providing a profile of the size of the NHS finance team. But in 2009, the HFMA worked with FSD to produce a more detailed picture of finance staff in England. In particular, the census now provides a breakdown by Agenda for Change pay band. The 2011 census is the second time for this more granular analysis.



It is not a mandatory collection, but the core value of the census comes from its comprehensive coverage. Only two organisations in 2009, and again in 2011, chose not to make a return, so the census provides an accurate picture of the NHS finance function rather than making assumptions based on sampling.

The Department of Health supported the census and strategic health authority finance directors encouraged organisations to take part. Huge thanks go to FSD contacts in individual organisations who compiled the detailed return. It is their combined contribution that led to a more than 99% return rate for the census.

The HFMA acknowledges the work of FSD managers in each SHA, who led the local compilation of data, supported responders and ensured deadlines were met. Substantial support was also given by Hazel Rushton (national communications manager), David Ellcock (North West) and David Young (North East).

Agency staff incl in headcount	Secretarial/admin	Like-for-like staff in post (headcount less secretarial less agency)*	2009 census headcount	Change in finance staff no. 2009-2011	% change in finance staff no. 2009-2011
1	15	769	926	-157	-17
92	77	2,692	2,813	-121	-4
43	39	1,643	1,728	-85	-5
17	36	1,143	1,175	-32	-3
83	70	1,933	1,930	+3	0
67	49	1,444	1,537	-93	-6
178	43	2,438	2,557	-119	-5
49	35	1,059	1,199	-140	-12
32	23	683	849	-166	-20
46	60	1,509	1,549	-40	-3
608	447	15,313	16,263	-950	-6

NHS trust ambulance	NHS trust community	NHS trust mental health	PCT clusters	PCT	In-house community services	SHA	Other***	Total organisations
1	0	0	4	12	0	1	1	25
1	3	1	5	24	0	1	8	75
1	1	1	5	15	0	1	2	41
1	2	1	5	9	1	1	2	30
1	2	3	5	17	0	1	2	49
1	3	1	7	13	2	1	8	51
1	2	3	6	31	0	1	1	75
0	2	1	3	8	1	1	3	31
1	0	1	3	8	0	1	0	23
1	0	2	7	14	0	1	2	43
9	15	14	50	151	4	10	29	443

*** Other includes shared services, audit and other non-core NHS bodies. Core NHS bodies are defined as NHS trusts, FTs, PCTs and SHAs.



Organisational analysis

Tables 4 and 5 show the split of NHS finance staff across different organisational types and healthcare sectors. For example 42% of all NHS finance staff now work in FTs, compared with 36% in 2009.

This reflects both the number of authorisations since the 2009 census (the 2011 census includes 135 FTs compared to the 120 included in 2009 – both censuses are missing returns from two FTs).

However the increase will also reflect the transfer of staff as part of *Transforming community services* (TCS)

changes, where community services transferred from PCTs to new hosts, largely NHS trusts and FTs along with a small number of social enterprises. NHS trusts account for 33% of all staff – the same proportion as in 2009. But this apparent static position is a result of a reduction in overall numbers (as trusts have gained authorisation to FT status) and increases (as staff have moved across with community services, both into new NHS trust hosts and into free-standing NHS community trusts).

In total this means 75% of NHS finance staff work on the provider side. This compares with 69% in 2009, (although this took no account of community

TABLE 4: STAFF BY ORGANISATIONAL TYPE

	Number of organisations	Staff in post headcount	Staff in post as % of all staff	Like-for-like staff (headcount less admin less agency)	Like-for-like staff in post as % of all staff in post	Organisations' combined turnover (£m)
FT acute	93*	5,208	32	4,967	32	25,442
FT ambulance	2	40	0	28	0	288
FT mental health	40	1,629	10	1,521	10	7,068
Total FT	135	6,877	42	6,516	43	32,798
NHS trust acute	76	4,229	26	4,035	26	24,279
NHS trust ambulance	9	267	2	239	2	1,652
NHS trust community	15	318	2	283	2	2,178
NHS trust mental health	14	514	3	473	3	2,096
Total NHS trust	114	5,328	33	5,030	33	30,205
Single PCTs	151	3,151	19	2,844	19	88,343
In-house community services	4	47	0	39	0	248
SHA	10	267	2	240	2	5,648
Total core organisations	414	15,670	96	14,669	96	157,242
Total other organisations	29	698	4	644	4	4,974
Total all	443	16,368	100	15,313	100	162,216

* Two FTs did not submit returns, one each in East of England and South Central SHAs.

** Figures have been rounded to whole percentages.

Looking at the data from the point of view of organisational sector shows that 13% of finance staff work in the mental health sector, while nearly 60% work in acute organisations. (This is not a pure separation as it should be remembered that, as a result of Transforming community services, there are several integrated mental health/community trusts and acute/community trusts.)

TABLE 5: STAFF BY HEALTHCARE SECTOR

	Number of organisations	Staff in post headcount	Staff in post as % of all staff	Like-for-like staff (headcount less admin less agency)	Like-for-like staff in post as % of all staff in post	Organisations' combined turnover (£m)
Ambulance trusts – FTs and NHS trusts	11	307	2	267	2	1,940
Mental health – FTs and NHS trusts	54	2,143	13	1,994	13	9,164
Acute – FTs and NHS trusts	169*	9,437	58	9,002	59	49,721
NHS trust community	15	318	2	283	2	2,178
Single PCTs	151	3,151	19	2,844	19	88,343
In-house community services	4	47	0	39	0	248
SHAs	10	267	2	240	2	5,648
Other (inc shared services, audit and specialised commissioning)	29	698	4	644	4	4,974
Total	443	16,368	100	15,313	100	162,216

* Two FTs did not submit returns, one each in East of England and South Central SHAs.

services in 2009, which were part of PCTs). This increase in the proportion of finance staff working in provision is mirrored by a reduction in the proportion of staff working in PCTs. The 3,151 PCT staff reported in the 2011 census make up 19% of the overall finance function, compared with 26% in 2009. The restructuring of community services is the most significant reason for this swing, suggesting about 7% of the finance function was affected by the TCS changes.

Average staffing levels

Crude averages for staffing levels across the NHS need to be read with care when attempting to make comparisons or establish benchmarks. For example, two acute FTs may have completely different finance staff levels for legitimate reasons. For a start, financial size is an obvious driver of staffing levels in finance departments.

Decisions to buy in financial services or to provide them in-house will also lead to significant differences. In addition, the provision of financial services such as accounts payable or payroll to other NHS bodies, will lead to differences in staffing levels. Given these differences, average staffing levels should not be seen as a simple benchmark for organisations. However, as with all benchmarking, the data may provide a starting point for discussion and the analysis of local staffing levels.

UNDERSTANDING DIFFERENCES IN SIZE

Table 6 shows average staffing levels for different organisational types. However, average staffing levels must be read with care as there are broad ranges of staffing levels behind these averages.

Some of these ranges can be explained by the financial size of organisations – a £500m FT with tertiary services and teaching and research activities will need a bigger finance department than a £50m single specialty trust. The link between financial size and finance staff numbers is shown in tables 7-13.

But financial size does not explain the full extent of differences in finance function size. Other drivers include the level of in-house versus outsourced provision of key financial services. And organisations that are major providers of financial services to other bodies will also have above average finance staffing.

These factors can make big differences. For example, University Hospitals Birmingham NHS FT (UHB) has the largest finance function in the English NHS with 188 staff (headcount). But the census returns also show the FT is a major provider of financial services and payroll. It provides accounts receivable/ payable services to three other NHS bodies and financial systems/ financial accounting services to four bodies. The biggest impact on size comes from its payroll department, which serves 19 other NHS bodies in addition to paying its own staff. Payroll staff account for 75 of the overall finance team – yet fewer than 10 are involved with delivering the payroll service for UHB.

Removing staff working solely on payroll for other organisations would bring UHB to just above average size for an organisation of this size (turnover £500m+), before taking account of the other financial services provided outside the trust. UHB's figures need to be seen in the context of the additional external services it provides. The Royal Free Hampstead NHS Trust is a similar sized trust in terms of turnover but only has 83 staff in its finance department. But it provides no services to external bodies. Other organisations will not only not provide services to other bodies, but will buy in financial services and payroll from other trusts or service providers such as NHS SBS (see page 8) or the private sector. These organisations will report relatively small in-house teams.

UHB is confident it delivers value for money. It says its cost of under 1% of turnover puts it below the national and West Midlands average. But increasing value is always on the agenda and it has seen finance staffing headcount reduce since the last census – by 36, using like-for-like figures.

TABLE 6: AVERAGE STAFF IN POST BY ORGANISATIONAL TYPE

	Number of organisations	Staff in post headcount	Average staff in post	Like-for-like staff in post (headcount less admin less agency)	Like-for-like average staff in post (headcount less admin less agency)	2009 average staff in post
FT ambulance	2	40	20	28	14	–
FT acute	93*	5,208	56	4,967	53	56
FT mental health	40	1,629	41	1,521	38	32
FTs all	135	6,877	51	6,516	48	49
NHS trust ambulance	9	267	30	239	27	26
NHS trust acute	76	4,229	56	4,035	53	51
NHS trust mental health	14	514	37	473	34	33
NHS trust community	15	318	21	283	19	–
NHS trust all	114	5,328	47	5,030	44	46
PCTs/clusters	151/50	3,151	21/63	2,844	19/57	–
In-house community services	4	47	12	39	10	–
PCT all	155/50	3,198	21/64	2,883	19/58	28/–
SHA all	10	267	27	240	24	24
Other organisations	29	698	24	644	22	39
Total*	443/338	16,368	37/48	15,313	35/–	39/–

* Two FTs did not submit returns, one each in East of England and South Central SHAs.

The average size of a finance department in the NHS across all organisational types is 37, including all 151 PCTs and the four in-house community services in the organisational total. Replacing these 155 organisations with 50 PCT clusters gives an average of 48 staff per organisation.



TABLE 7: AVERAGE STAFFING LEVELS, ALL PROVIDERS BY TURNOVER

Turnover	Number of organisations	Staff total	Average staff
£0 - <£100m	25	531	21
£100m - <£200m	91	3,088	34
£200m - <£300m	67	3,268	49
£300m - <£500m	44	2,890	66
£500m+	22	2,428	110
£20m - £930m	249	12,205	49

TABLE 8: AVERAGE STAFFING LEVELS, ALL MENTAL HEALTH (TRUSTS/FTS) BY TURNOVER

Turnover	Number of organisations	Staff total	Average staff
£0 - <£100m	10	285	29
£100m - <£200m	26	1,009	39
£200m - <£300m	14	618	44
£300m - <£400m	4	231	58
£33m - £360m	54	2,143	40

TABLE 9: AVERAGE STAFFING LEVELS, ALL ACUTE (TRUSTS/FTS) BY TURNOVER

Turnover	Number of organisations	Staff total	Average staff	Range	
				Max	Min
£0 - <£100m	11	194	18	28	9
£100m - <£200m	49	1,742	36	58	16
£200m - <£300m	47	2,414	51	88	21
£300m - <£500m	40	2,659	66	120	33
£500m+	22	2,428	110	188	50
£20m - £930m	169	9,437	56	188	9

NHS SHARED BUSINESS SERVICES

NHS Shared Business Services is a big provider of business support services to the NHS. With staff focused on the NHS market – financial services, procurement, payroll and family health services – and undertaking roles formerly done in-house by NHS finance staff, it is arguably part of the extended NHS finance function.

The joint venture between the Department of Health and outsourcing specialist Steria has its roots in a 2001 pilot, before the joint venture (originally with outsourcing company Xansa) began in 2005. Steria's involvement began in 2007. It now boasts 187 customers in the commissioning and provider community. With some organisations taking multiple services, there are 145 customers of its finance and accounting service (up from 124 at the time of the last census), 63 payroll (up from 52), 16 family health services (seven last time) and 51 customers for its commercial procurement service (introduced since the last census).

The £41bn of payments made each year represent a 33% rise on the last census and its payroll services pay 200,000 NHS employees (another 33% increase) involving 2.5 million payroll transactions annually.

The growth in customers and size is matched by a growth in infrastructure, with NHS SBS operating from eight UK locations and two offices in India. Across all sites staff levels have grown from just under 1,000 to more than 1,400, with just over half in the UK. Some 328 of these UK staff are on Agenda for Change pay scales, having transferred into the organisation when services were outsourced by NHS trusts, FTs and commissioners. Of those on Agenda for Change contracts, 49% are band 1-4, 26% band 5-6, 25% band 7-9. This marks a shift to more senior finance staff but takes no account of the non-Agenda for Change staff.

Across all qualification types (CCAB and AAT) there are 49 qualified accountants and 31 qualified payroll professionals. Another 40 are qualified procurement professionals (CIPS) or working towards qualification.

SBS STAFF ON AGENDA FOR CHANGE

Band 9	4
Band 8	50
Band 7	28
Band 6	32
Band 5	54
Band 4	42
Band 3	85
Band 2	31
Band 1	2
Total	328

Across all organisations, the average size of a finance department is now 37 staff from finance director down to the most junior band 1 employee. (The denominator used here – the number of organisations – includes PCTs rather than PCT clusters). Using the same staff definitions as in 2009, the average finance department in 2011 is in fact 35 strong, compared with 39 in the 2009 census – representing an average reduction of four staff in each department.

There is no real difference in average staffing levels between NHS trusts and foundation trusts. While a high-level analysis suggests FTs have slightly larger finance departments than NHS trusts (51 compared with 47), this difference is eliminated if ambulance and community trusts (which tend to have smaller finance departments) are stripped out.

For both NHS trusts and FTs, finance departments are smaller on average than in 2009, both in absolute terms and using like-for-like number comparisons. This absolute decrease in department size is despite the addition of community services in many organisations and underlines the overall reduction in finance staff numbers between the two census periods.

Average finance team size in PCTs is 19, nine fewer than in 2009, again underlining the changes around community service provision. Table 7 shows the clear link between provider organisation turnover and size of the finance team, team size rising as turnover increases. But even these averages are built on wide-ranging staff numbers in organisations of broadly the same financial size.

These ranges depend on several factors: organisational complexity; level of in-house versus outsourced service provision; financial services provided to other NHS bodies; and specific local circumstances – for example, where a trust is pursuing a complex capital programme. There are 13 providers with finance departments larger than 100 staff in organisations ranging in turnover from £350m to more than £900m.

The single largest finance team had a headcount of 188 staff. But this organisation is a major provider of payroll and financial services to more than 20 other NHS bodies. (Tables 7-13 all use the 2011 definitions for finance teams, including secretarial staff and long-term agency/interim staff. Table 10 additionally shows the like-for-like data.)

For both NHS trusts and FTs, finance departments are smaller on average than in 2009, in absolute terms and using like-for-like comparisons



TABLE 10: AVERAGE STAFFING LEVELS, COMPARISON OF ACUTE AND MENTAL HEALTH BY TURNOVER (LIKE FOR LIKE)

Turnover	AVERAGE STAFFING LEVELS					
	All providers (MH and acute)		Mental health providers		Acute providers	
£0 - <£100m	21	20	29	27	18	17
£100m - <£200m	34	32	39	36	36	34
£200m - <£300m	49	46	44	41	51	49
£300m - <£500m	66	63	58	52	66	64
£500m+	110	105	-	-	110	105
£2m - £930m	49	46	40	37	56	53

Shaded columns using like-for-like data for comparison with 2009

TABLE 11: AVERAGE STAFFING LEVELS, ALL AMBULANCE TRUSTS BY TURNOVER

Turnover	Number of organisations	Staff total	Average staff
£0 - <£100m	1	12	12
£100m - <£200m	6	133	22
£200m - <£300m	4	162	41
£86m - £282m	11	307	28

TABLE 12: AVERAGE STAFFING LEVELS, COMMUNITY TRUSTS BY TURNOVER

Turnover	Number of organisations	Staff total	Average staff
£0 - <£100m	3	40	13
£100m - <£200m	10	204	20
£200m - <£300m	2	74	37
£50m - £250m	15	318	21



TABLE 13: AVERAGE STAFFING LEVELS, PCT CLUSTERS BY TURNOVER

Turnover	Number of clusters	Staff total	Average staff by PCT clusters (50)	Number of constituent PCTs in clusters	Average cluster staff per constituent PCT
£500m - <£1,000m	7	228	33	13	18
£1,000m - <£2,000m	30	1,413	47	72	20
£2,000m - <£3,000m	9	923	103	38	24
£3,000m +	4	587	147	28	21
£500m - £4,661m	50	3,151	63	151	21

Table 10 (previous page) compares the staffing levels in acute and mental health bodies. For the smallest organisations in terms of turnover, mental health organisations appear to have larger finance teams on average than similar sized acute bodies.

This difference is particularly noticeable within the 0-£100m turnover bracket. But closer examination reveals that the mental health numbers are inflated by one organisation with more than 80 staff – the result of providing accounts payable/receivable services and payroll to a number of other trusts.

Stripping out this organisation brings the mental health trust average for that turnover band back in line with acute counterparts. The higher average levels of staff in acute bodies in the £300m-£500m range appears to be more the result of the much greater number of acute organisations with higher

turnovers within that range (with the corresponding increase in finance staff levels).

Finance staff levels within commissioning have been analysed by PCT cluster. This reflects the fact that some returns were made on a cluster basis. Returns made on a PCT basis have been gathered into the relevant cluster. These average staffing levels (at the end of June 2011) effectively represent the starting point for finance departments in clusters.

Major reconfiguration of finance departments is expected over the coming 18 months. There is likely to be initial reduction in staffing levels as former PCT services are rationalised across the cluster.

But further changes are likely as clinical commissioning groups move from shadow operation to being authorised as free-standing

TABLE 14: BANDING BREAKDOWN BY SHA HEALTH ECONOMY

	Staff in post headcount	Total director	Total very senior manager	Band 9	Band 8d	Band 8c	Band 8b
North East	785	15	3	4	17	31	41
North West	2,861	52	32	11	55	139	136
Yorkshire and the Humber	1,725	31	15	2	46	53	85
East Midlands	1,196	24	9	6	26	34	77
West Midlands	2,086	35	19	5	51	78	131
East of England	1,560	42	9	10	40	70	89
London	2,659	49	19	39	98	129	176
South East Coast	1,143	23	5	6	32	51	66
South Central	738	17	6	8	24	40	52
South West	1,615	33	15	14	51	36	90
Total	16,368	321*	132	105	440	661	943

* These figures represent director-level appointments across 342 organisations, reflecting single executive team arrangements across PCT clusters. Former PCT finance directors not appointed as cluster director will in many cases be counted within the very senior managers' category.

TABLE 15: BANDING COMPARISON 2009 VS 2011 CENSUS

	Staff in post headcount	Total director	Total very senior manager	Band 9	Band 8d	Band 8c	Band 8b
2011 total	16,368	321	132	105	440	661	943
2009 total	16,263	358	56	88	423	602	865
Difference in staffing level	105	-37	76	17	17	59	78
	0.6%*	-10%	136%	19%	4%	10%	9%

* Because of changes to the scope of the census collection (the census now includes agency staff working on long-term interim placement and finance department secretaries), up to 1,055 'additional' staff are included within the 2011 total.

commissioning bodies. In future local commissioning finance teams are likely to be spread across three broad locations: clinical commissioning groups; commissioning support services; and some form of local offices of the National Commissioning Board. Some of these changes are likely to be reflected in the next census, planned for 2013 – shortly after the start of CCGs.

NHS finance staff by pay band

Working with FSD, the HFMA has again produced a breakdown of the NHS finance function by NHS pay band (see table 14). This table provide a more granular view of the finance function.

All staff numbers shown in tables relating to staff by pay banding use the 2011 definitions of finance staff. Inclusion of interim staff on long-term placement and of finance department secretarial staff means more than 1,000 staff have been included in this census who were not included in 2009.

It was not possible to identify the level of seniority of interim/agency staff from the returns, so no attempt has been made to provide like-for-like data for direct comparison with the 2009 census.

References to increases and reductions compared

FINANCE OFFICER, BAND 2

Debbie Dixon, Chesterfield and North Derbyshire Royal Hospital NHS FT

Finance officer Debbie Dixon has a range of duties, mostly based around payments to creditors. As well as paying and chasing down invoices, she also takes her turn to do a weekly 'payment run' – a step-by-step process that ensures payments out are matched on the trust's finance system.

Ms Dixon, who has worked in the NHS for seven years and has a full AAT qualification, is also part of a team that works on VAT recovery. This includes making a decision on whether to reclaim VAT.

As her duties are so closely linked to the trust's expenditure, it is not surprising that she tends to be busier around the year-end. The focus at that time is on ensuring invoices are in and paid promptly.

Since the beginning of 2011 the trust has been operating a new finance system and Ms Dixon has been closely involved in its implementation. This has included attendance at regular meetings to iron out any issues raised as the system becomes operational.

with 2009 data need to be read in the context of this difference in the definition of the finance function between the years. But analysis of the proportions of staff within different pay levels provides meaningful comparison with the data from 2009.

Nationally there are 321 directors within the finance function, a reduction of 37 compared with 358 in 2009. However, the organisation base has changed. Although there has been an increase in

Band 8a	Band 7	Band 6	Band 5	Band 4	Band 3	Band 2	Band 1	Other**
51	72	71	93	172	145	63	2	5
279	283	271	423	579	433	138	2	28
115	202	142	278	330	272	103	6	45
104	120	145	150	204	172	94	5	26
150	214	205	355	370	259	175	5	34
118	154	179	233	300	211	83	6	16
307	330	326	460	407	267	37	2	13
93	150	163	176	205	94	68	6	5
83	77	110	111	87	97	26	0	0
152	164	191	259	299	159	135	6	11
1,452	1,766	1,803	2,538	2,953	2,109	922	40	183

** Other (non-Agenda for Change staff at or below band 8D salary).

Band 8a	Band 7	Band 6	Band 5	Band 4	Band 3	Band 2	Band 1	Other**
1,452	1,766	1,803	2,538	2,953	2,109	922	40	183
1,350	1,807	1,806	2,514	2,892	2,229	1,087	59	127
102	-41	-3	24	61	-120	-165	-19	56
8%	-2%	0%	1%	2%	-5%	-15%	-32%	44%

FINANCE OFFICER, BAND 3

Jeremy Pike, East and North Hertfordshire NHS Trust

Jeremy Pike is a finance trainee, working at East and North Hertfordshire NHS Trust during his year out from his sandwich degree in business information systems at University of Hertfordshire.

His main duties are to bill commissioners for activity each month, analyse clinical income data and assist his managers with the trust's business intelligence service and writing reports. The latter can include budgetary reports and reports to specialist commissioners.

Mr Pike, who is on the finance skills development (FSD) undergraduate sandwich year work placement scheme, has also worked on projects with the deputy director of finance – for example, the budgeting process for the trust's new print management system.

He has been in the finance department only a few months, but says he has been busiest in the run-up to Christmas. Staff illness has allowed him to do more and push out of his comfort zone.

While he is the only finance officer in the department, there are two other staff at band 3. Once he completes his degree, he intends to study with the ACCA for his professional qualification and would consider working in the NHS if the opportunity arose. 'I like getting stuck in and working hard to support as many people as I can, so I can get the most out of this year,' he adds.

the number of organisations included in the census (from 419 to 443), this is largely due to the inclusion of a further 16 'other' bodies. But the most significant change relates to commissioning organisations.

Although the returns were largely made on a PCT basis, there is now a single finance director across a PCT cluster (with former PCT finance directors in many cases now recorded as senior managers within their PCT return). So the real organisational base for understanding the 2011 director population is 338 (including 50 clusters rather than 151 PCTs and discounting the PCT in-house community services).

The reduction in finance director positions has to be seen in this context. The next stage of the reform process will see further changes in the NHS structure and corresponding changes in the potential career paths for NHS finance professionals. At the time of writing there are plans for board level chief finance officers to be recruited to around 230

TABLE 16: MIX OF SENIORITY BY SHA HEALTH ECONOMY

	Staff in post headcount	Total director	Band 7 and above	Band 7 and above as % of all staff	Band 5 and 6	Band 5 and 6 as % of all staff	Band 1 to 4	Band 1 to 4 as % of all staff	Total other
North East	785	15	219	28	164	21	382	49	5
North West	2,861	52	935	33	694	24	1,152	40	28
Yorkshire and the Humber	1,725	31	518	30	420	24	711	41	45
East Midlands	1,196	24	376	31	295	25	475	40	26
West Midlands	2,086	35	648	31	560	27	809	39	34
East of England	1,560	42	490	31	412	26	600	38	16
London	2,659	49	1,098	41	786	30	713	27	13
South East Coast	1,143	23	403	35	339	30	373	33	5
South Central	738	17	290	39	221	30	210	28	0
South West	1,615	33	522	32	450	28	599	37	11
Total	16,368	321	5,499	34	4,341	27	6,024	37	183

TABLE 17: BANDING BREAKDOWN BY ORGANISATIONAL TYPE

	Staff in post headcount	Number of organisations	Total director	Total very senior manager	Band 9	Band 8d	Band 8c	Band 8b
FT acute	5,208	93	91	29	23	85	157	264
FT ambulance	40	2	2	0	0	0	2	4
FT mental health	1,629	40	42	0	3	39	50	86
NHS trust acute	4,229	76	79	12	24	97	161	263
NHS trust ambulance	267	9	9	0	0	5	16	7
NHS trust community	318	15	15	1	0	8	26	20
NHS trust mental health	514	14	14	0	1	11	22	24
PCTs/clusters	3,151	151/50	50	83	35	156	180	217
In-house community services	47	4	0	2	0	0	2	3
SHAs	267	10	10	5	15	31	28	27
Other	698	29	9	0	4	8	17	28
Total	16,368	443	321	132	105	440	661	943

CCGs, although some chief officer posts may be shared across more than one CCG.

The significant increase in the number of very senior managers is a direct result of the arrangements for PCT clustering. PCTs undertaking the census were instructed to record former finance directors as very senior managers, with just one finance director reported per cluster to reflect single executive team arrangements. There has also been a very slight increase in the use of band 9 for senior finance roles, with 105 finance managers at this level compared with 88 in 2009.

Ignoring the different scopes of the census in the two years, the figures suggest a slight drift towards a more senior skill mix, with small percentage increases in bands 8a upwards compensated for by more significant reductions in bands 1 to 3.

This can be seen more clearly in the analysis by three broad bands – bands 1-4, bands 5 and 6, and bands 7 and above. The percentage of all staff in band 7 and above has risen from 32% in 2009 to 34% in 2011. Band 5 and 6 has stayed constant at 27%, while bands 1 to 4 have reduced from 39% to 37%.

Looking at seniority split by SHA area shows that the North East health economy has the lowest proportion of senior finance managers (28%) and of middle ranking staff (21%) and the largest proportion of junior staff (49%).

At the other end of the scale, London had the highest level of senior finance staff (41% of all finance staff) and the joint highest proportion of middle-ranking staff (30%) with the lowest level of

FINANCE SYSTEMS SUPPORT OFFICER, BAND 4 Clare Chitty, Wirral University Teaching Hospital NHS Foundation Trust

Finance systems support officer Clare Chitty splits her time between two roles at Wirral University Teaching Hospital NHS Foundation Trust and studying for a professional qualification.

She spends half her working hours on finance systems – inputting figures into the trust’s ledger so management accounts can produce reports. The remaining 50% is devoted to an income role, where she works with the trust’s payment by results team to bill for non-contract activity.

Ms Chitty has picked up some additional duties recently, including monthly reporting for the medicine division and also co-ordinating the payment of invoices for junior doctors’ pay. All the junior doctors in the Mersey Deanery are paid through St Helens and Knowsley Teaching Hospitals NHS Trust and the Wirral trust receives a monthly bill to cover the cost of the salaries.

She is currently studying for the CIMA qualification and is on the managerial level of the course (the second of four stages) – her studies are done in her own time, at home, over a few evenings a week.

Naturally, she is busy in the run-up to year-end and as the trust’s annual accounts are produced, but it is also hectic during the exam seasons of May and November.

Ms Chitty, who is one of five band 4s in the finance department – although this will change soon as the department is undergoing a restructure – adds that the finance systems job is fairly consistent. The first two weeks of each month are spent reporting on the previous month, the third week is a little quieter, and then the work builds up again in week four with the run-up to the end of the month.

junior staff (27%). This will not only reflect different organisational choices about the skill mix needed to deliver local management and support arrangements, but also the approach taken to the delivery of transactional services and payroll.

While PCTs have now been clustered across the country, long-standing shared management arrangements for PCTs in the North East, with senior managers working across more than one

Band 8a	Band 7	Band 6	Band 5	Band 4	Band 3	Band 2	Band 1	Other**
417	474	519	842	1,074	755	385	13	80
2	8	3	9	6	3	1	0	0
140	192	199	276	280	214	89	2	17
393	429	444	649	815	592	229	8	34
24	29	29	40	48	42	9	6	3
18	51	50	54	41	17	12	0	5
54	59	59	80	98	62	26	2	2
339	412	377	450	425	282	106	6	33
3	5	12	9	5	4	0	0	2
23	35	25	32	14	8	7	0	7
39	72	86	97	147	130	58	3	0
1,452	1,766	1,803	2,538	2,953	2,109	922	40	183

TABLE 18: MIX OF SENIORITY BY ORGANISATIONAL TYPE

	Staff in post head count	Number of orgs	Total director	Band 7 and above	Band 7 and above as % of all staff	Band 5 and 6	Band 5 and 6 as % of all staff	Band 1 to 4	Band 1 to 4 as % of all staff	Total other
FT acute	5,208	93	91	1,449	28	1,361	26	2,227	43	80
FT ambulance	40	2	2	16	40	12	30	10	25	0
FT MH	1,629	40	42	510	31	475	29	585	36	17
NHST acute	4,229	76	79	1,379	33	1,093	26	1,644	39	34
NHST ambulance	267	9	9	81	30	69	26	105	39	3
NHST community	318	15	15	124	39	104	33	70	22	5
NHST MH	514	14	14	171	33	139	27	188	37	2
PCTs	3,151	151	50	1,422	45	827	26	819	26	33
In-house community services	47	4	0	15	32	21	45	9	19	2
SHAs	267	10	10	164	61	57	21	29	11	7
Other	698	29	9	168	24	183	26	338	48	0
Total	16,368	443	321	5,499	34	4,341	27	6,024	37	183

TABLE 19: AVERAGE STAFF NUMBERS BY AGENDA FOR CHANGE PAY BAND

	Number of organisations	Average total staff	Average director	Average very senior manager	Average band 9	Average band 8	Average band 7	Average band 6	Average band 5
FT acute	93	56.0	1.0	0.3	0.2	9.9	5.1	5.6	9.1
FT ambulance	2	20.0	1.0	0.0	0.0	4.0	4.0	1.5	4.5
FT mental health	40	40.7	1.1	0.0	0.1	7.9	4.8	5.0	6.9
NHS trust acute	76	55.6	1.0	0.2	0.3	12.0	5.6	5.8	8.5
NHS trust ambulance	9	29.7	1.0	0.0	0.0	5.8	3.2	3.2	4.4
NHS trust community	15	21.2	1.0	0.1	0.0	4.8	3.4	3.3	3.6
NHS trust mental health	14	36.7	1.0	0.0	0.1	7.9	4.2	4.2	5.7
PCTs	151	20.9	0.3	0.5	0.2	5.9	2.7	2.5	3.0
PCT clusters	50	63.0	1.0	1.7	0.7	17.8	8.2	7.5	9.0
In-house community services	4	11.8	0.0	0.5	0.0	2.0	1.3	3.0	2.3
SHAs	10	26.7	1.0	0.5	1.5	10.9	3.5	2.5	3.2
Other	29	24.1	0.3	0.0	0.1	3.2	2.5	3.0	3.3
Total using 151 PCTs	443	36.9	0.7	0.3	0.2	7.9	4.0	4.1	5.7
Total using 50 PCT clusters	338*	48.4	0.9	0.4	0.3	10.3	5.2	5.3	7.5

*For the purposes of this analysis, the four in-house community services finance teams have been included within their corresponding PCT

TABLE 20: GENDER SPLIT BY ORGANISATION

	Staff in post headcount	Total staff - male	Total male as % of all staff	Total staff - female	Total female as % of all staff	Male b7 and above	Male b7 and above as % of all b7 and above	Female b7 and above	Female b7 and above as % of all b7 and above
North East	785	262	33	523	67	119	51	115	49
North West	2,861	952	33	1,909	67	463	47	524	53
Yorkshire and the Humber	1,725	600	35	1,125	65	270	49	279	51
East Midlands	1,196	418	35	778	65	221	55	179	45
West Midlands	2,086	748	36	1,338	64	356	52	327	48
East of England	1,560	541	35	1,019	65	267	50	265	50
London	2,659	1,167	44	1,492	56	661	58	486	42
South East Coast	1,143	433	38	710	62	233	55	193	45
South Central	738	281	38	457	62	158	51	149	49
South West	1,615	551	34	1,064	66	291	52	264	48
TOTAL*	16,368	5,953	36	10,415	64	3,039	52	2,781	48

*'Other' staff have been excluded so total staff (male and female) do not equate to 100 of total staff in post

organisation, may have led to a higher proportion of more junior staff. Low proportions of junior staff could well reflect greater use of shared services or outsourcing arrangements.

Looking at the split in seniority by organisational type (see table 18 overleaf), suggests that in overall terms NHS trusts may have a slightly higher proportion of senior managers than FTs, but the differences are small. PCTs have a greater proportion of senior managers (45%), perhaps reflecting greater use of shared services or outsourcing for transactional services in smaller commissioning bodies.

Unsurprisingly, strategic health authorities, with far fewer transactional finance staff, had the highest proportion of senior managers at 61%.

Average band 4	Average band 3	Average band 2	Average band 1
11.5	8.1	4.1	0.1
3.0	1.5	0.5	0.0
7.0	5.4	2.2	0.1
10.7	7.8	3.0	0.1
5.3	4.7	1.0	0.7
2.7	1.1	0.8	0.0
7.0	4.4	1.9	0.1
2.8	1.9	0.7	0.0
8.5	5.6	2.1	0.1
1.3	1.0	0.0	0.0
1.4	0.8	0.7	0.0
5.1	4.5	2.0	0.1
6.7	4.8	2.1	0.1
8.7	6.2	2.7	0.1

Male b6 and below	Male b6 and below as % of all b6 and below	Female b6 and below	Female b6 and below as % of all b6 and below
142	26	404	74
470	25	1,376	75
310	27	821	73
183	24	587	76
370	27	999	73
264	26	748	74
497	33	1,002	67
199	28	513	72
123	29	308	71
254	24	795	76
2812	27	7,553	73

SECTION HEAD ACCOUNTS PAYABLE, BAND 5 Catherine Grant, County Durham & Darlington NHS Foundation Trust

As section head of the accounts payable department at County Durham & Darlington NHS Foundation Trust, Catherine Grant supervises 10 members of staff, including eight permanent staff and two agency workers.

The department processes 100,000-120,000 invoices a year on average. As well as this, completing month-end close down and troubleshooting, she also deals with queries from suppliers and managers within the trust. The department works closely with the procurement team to get invoices through for payment quickly.

Streamlining processes is a top priority for the department. For example, the trust's orthotics department receives around 350 invoices a month and Ms Grant's team is working towards giving it a purchasing card to make the process more efficient.

Ms Grant has a degree in accounting and business and works alongside three other band 5s in financial services. She has worked in the NHS since 2000 and has been in post for six years. The team works to a regular deadline with the month-end close down (two working days before the end of each month), but it is constantly busy.

'Accounts payable is the busiest section I have worked in,' she comments. 'However, we have a really good team that works well together. It is a pleasure to come to work here.'

These differences in staffing level can be analysed by looking at the make-up of the average finance department within each organisational type.

In reality there is no such thing as an 'average' department. Staffing levels will vary from organisation to organisation depending on numerous factors including size (turnover), complexity, decisions around in-house versus outsourcing for financial services and the provision of services for other organisations.

Table 19 provides another way to look at staffing levels. For example, an acute FT on average has one director, 10 band 8s, five band 7s, six band 6s, nine band 5s, 12 band 4s, 8 band 3s, and 4 band 2s.

Male/female split

Just under two-thirds of the finance function are women (64%) – virtually no change from 2009. However, this male/female split is not constant throughout all levels of the function. At band 6 and below, nearly three quarters of the function are women (73%), as against 48% at band 7 or above.

Looking more closely at the most senior managers shows that for bands 8, band 9 and those non-Agenda for Change managers above the band 8 level, 47% are women, compared with 53% men. But at director level, women account for just under



TABLE 21: GENDER SPLIT AT DIRECTOR LEVEL

	Staff in post head count	Total directors	Male directors	Male directors as % of all directors	Female directors	Female directors as % of all directors
North East	785	15	10	67	5	33
North West	2,861	52	40	77	12	23
Yorkshire and the Humber	1,725	31	25	81	6	19
East Midlands	1,196	24	19	79	5	21
West Midlands	2,086	35	28	80	7	20
East of England	1,560	42	30	71	12	29
London	2,659	49	40	82	9	18
South East Coast	1,143	23	19	83	4	17
South Central	738	17	15	88	2	12
South West	1,615	33	22	67	11	33
Total	16,368	321	248	77	73	23

one in four of all directors (23%). This represents an increase in percentage terms on 2009, when 21% of all directors were women.

While the proportion of female finance directors in FTs (24%) is in line with the national average, this drops to 15% across NHS trusts.

One in three PCT cluster finance directors is a woman, and four of the 10 (former) SHA finance directors were women.

Functional split

Many staff working will have responsibilities that span different functions within the finance department (table 23). However, organisations were asked to identify the principal function undertaken by each member of staff. Four broad categories were identified:

- Financial management
- Financial accounting
- Financial services
- Secretarial/administration.

Stripping out directors and the most senior managers outside of Agenda for Change pay

CONTRACT AND BUSINESS ANALYST, BAND 6 Clare Powell, Ashton, Leigh and Wigan Primary Care Trust

Clare Powell is a contract and business analyst in Ashton Leigh and Wigan PCT's finance department. She is one of two analysts working on acute contracts, both reporting to an acute contract manager. There is also a contract manager and a performance analyst on the non-acute side. She's been in the role for two years having joined as an assistant management accountant (band 4) in 2009.

Ms Powell says the core role is to monitor finance and activity data from providers, comparing actual data with planned and budgeted figures, and producing forecasts for the out-turn position. The team also has a major role in understanding the impact of tariff and business rule changes for future years and supporting the contracting process.

There is a four-week cycle to the job. Having received first cut data from providers in the last week of the month (covering previous month activity), Ms Powell has a deadline in week one to complete the contract monitoring report and produce a narrative for management accounts. She also identifies areas where the PCT needs to query providers' data. Analysis continues into week two, at the end of which responses are back from the PCT's providers, other than its main provider. This is analysed during week three when responses are also received from the main provider. In week four the outcomes of these responses – the impact on actual expenditure and performance against contracts – are pulled together and changes passed to management accounts.

Ms Powell also produces a quarterly wrap up of the PCT's position against contracts. At the end of the year there are specific roles in agreeing year end position and ensuring invoices marry up with expected final activity levels.

The publication of payment by results guidance and tariffs in December-January triggers a period of intense activity as the analysts model the likely impact of changes in payment rates, rules, new challenges to provider data and anticipated activity levels to inform the PCT's contract negotiations with providers.

The challenges are undertaken in conjunction with clinical colleagues, which has proved to be a critical success factor, and the process is expected to improve further as staff are assigned to clinical commissioning groups.

TABLE 22: GENDER SPLIT FOR VERY SENIOR MANA

	Staff in post head count	Number of orgs	Total directors
FT acute	5,208	93	91
FT ambulance	40	2	2
FT mental health	1,629	40	42
NHST acute	4,229	76	79
NHST ambulance	267	9	9
NHST community	318	15	15
NHST mental health	514	14	14
PCTs	3,151	50	50
In-house community services	47	4	0
SHAs	267	10	10
Other	698	29	9
Total	16,368	342*	321

* Organisation total reflects PCT clusters, not constituent

scales, some 47% of staff were identified as working within financial management. A further 29% work within financial accounting, while 20% are principally involved with financial services. Some 3% of the function have a purely administrative or secretarial role.

Financial management makes up an increasingly bigger proportion of each band as you move up the bands from 1 to 8d and band 9. Nearly 70% of financial services staff are within bands 1-5 (although these overall totals will be affected by different approaches to the sourcing of transactional services). Some 70% of financial accounting staff work within bands 3-6.

Financial management was defined as including:

- Financial planning
- Management accounts
- Performance
- Commissioning
- Costing
- Contracting.

Financial accounting included:

- Accounts payable
- Accounts receivable
- Treasury.

Financial services included:

- Audit
- Payroll
- Financial systems.

SENIOR MANAGEMENT ACCOUNTANT (NMET), BAND 7 Sarah Hoverd, South Central Strategic Health Authority

Sarah Hoverd is one of two senior management accountants overseeing the roughly £320m multi-professional education and training (MPET) budgets for the South Central SHA economy. She deals with the education and training commissioning directorate – in particular with the non-medical education and training (NMET) funding stream – as well as projects and developments, some 140 budgets amounting to about £140m, while a colleague focuses on the medical and dental education levy (MADEL) and SIFT.

The NMET funds cover core funding for pre-registration level nurses, midwives, healthcare scientists and allied health professionals, contributions towards learning beyond registration and support for a number of specific training initiatives.

CIMA qualified, Ms Hoverd joined the SHA from industry in 2009. She sits as part of the corporate finance team, reporting to the senior finance manager (MPET) and on to the head of corporate finance.

However, there are also 'business partner' links to the Education and Training Commissioning directorate.

Her routine month-to-month responsibilities include the preparation of management accounts, analysing variances to budget, forecast outturn and cash requirements forecasting. This involves meeting each month with budget managers, senior management budget holders and the associate director of education and training commissioning. It culminates in writing the monthly finance report for the associate director of education and training commissioning, which then feeds into the wider SHA finance board report.

Management accounts are reported to the SHA to the same deadlines that apply to primary care trusts.

Ms Hoverd supports budget holders in the creation of zero-based budgets, raising sales invoices and providing financial guidance and training. She frequently represents finance at regular meetings of the education and training commissioning senior management team.

MANAGERS BY ORGANISATIONAL TYPE

Male directors	Male dirs as % of all directors	Female directors	Female dirs as % of all directors	Total snr managers (b8 up)	Male snr managers (b8 up)	Male snr managers (b8 up) as % of all snr managers	Female snr managers (b8 up)	Female snr managers (b8 up) as % of all snr managers
72	79	19	21	975	521	53	454	47
1	50	1	50	8	6	75	2	25
30	71	12	29	318	153	48	165	52
69	87	10	13	950	508	53	442	47
8	89	1	11	52	25	48	27	52
15	100	0	0	73	36	49	37	51
8	57	6	43	112	63	56	49	44
33	66	17	34	1,010	537	53	473	47
0	0	0	0	10	5	50	5	50
6	60	4	40	129	63	49	66	51
6	67	3	33	96	53	55	43	45
248	77	73	23	3,733	1,970	53	1,763	47

PCTs but includes in-house community services (as of end of June) as separate organisations.



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DIVISIONAL ACCOUNTANT, BAND 8A

Kim Hubbard, Warrington and Halton Hospitals NHS Foundation Trust

Management accountant Kim Hubbard's role is chiefly about getting accurate, timely information to clinicians and other managers to ensure they make decisions based on strong evidence.

One of six band 8a staff in the finance department, Ms Hubbard manages two staff. Her team produces financial information as and when it is required and is closely involved in other typical management accounts duties, such as budget setting and forecasting.

'We also work closely with our income team and on getting managers and clinicians involved in service line reporting,' she adds. 'We spend a lot of time monitoring cost improvements and working with managers to identify and cost up cost improvements. That is a big part of the job at the minute.'

The period just before Christmas – when budgets are set for the following financial year – is her busiest time, though she is also involved in the financial accounts process at the end of each financial year. She produces reports each month, while forecasting is an ongoing job.

CIMA-qualified, Ms Hubbard has worked in the NHS since 2003. She joined the trust on secondment from Greater Manchester West Mental Health NHS Foundation Trust in spring 2011.

Qualifications

Across the whole of England there were 4,396 CCAB qualified accountants working in the NHS at the end of June 2011. (CIMA is no longer part of the CCAB. However, for the purposes of this analysis CCAB refers to a CCAB or equivalent qualification, the principal examples being CIPFA, CIMA, ACCA and ICAEW).

This is higher than the 3,891 recorded in the 2009 census. However, the 2011 census includes more than 600 agency/interim staff – a large proportion of whom are likely to be accountants. A further 2,217 were studying for a CCAB qualification. In addition, some 2,739 finance staff were identified as qualified or studying for a range of audit, payroll or NVQ qualifications. This leaves just over 7,000 members of the finance function with no specific accountancy or finance qualification.

In total, 27% of the finance function is CCAB qualified with a further 14% studying – meaning 41% of the whole finance function is either qualified or studying for a CCAB qualification. This is slightly higher than the proportion in 2009 (39%) and is in line with the findings of a shift towards a slightly more senior skill mix towards (percentage increases in bands 8a upwards and reductions in bands 1 to 3, see page 13).

The proportion of CCAB qualified accountants is relatively consistent across the country, from 23% of all staff in South East Coast to 29% in Yorkshire and

ASSISTANT DIRECTOR OF FINANCE – STRATEGIC PLANNING (SOUTH GLOUCESTERSHIRE), BAND 8B

Stephanie Poyntz, NHS South Gloucestershire

Stephanie Poyntz is assistant director of finance (strategic planning) at NHS South Gloucestershire, which along with NHS Bristol and NHS North Somerset makes up the local primary care trust cluster. She is one of two assistant directors of finance at the PCT – the other focuses on financial accounts.

South Gloucestershire has a £360m turnover and a large QIPP (quality, innovation, productivity and prevention) requirement. She does not manage individual budgets; much of her time is devoted to strategic financial planning.

This includes operational plans, assessing the viability of business cases and ad hoc projects. For example, the PCT is advancing plans to refurbish a community hospital and she is involved in the capital accounting support for the scheme.

Ms Poyntz also evaluates the viability of ongoing initiatives against QIPP plans. Recently, she supported the PCT's procurement exercise for primary care and pharmacy services at two of the three prisons in its patch.

CIMA qualified, she joined the NHS in 1999 as part of the NHS Financial Management Training Scheme. There are a number of routine responsibilities in her job. These include the financial planning aspects of FIMS reports (provided monthly and quarterly), such as QIPP savings achieved against plan.

Ms Poyntz also carries out benchmarking for the PCT on an ad hoc basis and sits on the national NHS Benchmarking Network steering group.

Like most of her finance colleagues, she is involved in the annual reporting cycle, completing the running costs and public health return in final accounts.

Before the recent clustering of PCTs, she reported directly to the finance director (although the PCT had a deputy director of finance). However, following the launch of the cluster, there is a single finance director and deputy director of finance for the cluster, while each PCT that makes up the cluster has a chief finance officer (CFO).

Ms Poyntz reports directly to the CFO for her PCT.

TABLE 23: FINANCE STAFF BY PRINCIPAL FUNCTION

	Financial management		Financial accounting		Financial services		Secretarial/admin		Total
	head count	% of all band	head count	% of all band	Number	% of all band	head count	% of all band	
Band 9	99	94	3	3	3	3	0	0	105
Band 8d	374	85	49	11	17	4	0	0	440
Band 8c	494	75	113	17	54	8	0	0	661
Band 8b	705	75	144	15	94	10	0	0	943
Band 8a	1,061	73	216	15	174	12	1	0	1,452
Band 7	1,220	69	279	16	264	15	3	0	1,766
Band 6	1,028	57	385	21	380	21	10	1	1,803
Band 5	1,230	48	621	24	558	22	129	5	2,538
Band 4	766	26	968	33	1,038	35	181	6	2,953
Band 3	357	17	1,301	62	386	18	65	3	2,109
Band 2	107	12	532	58	242	26	41	4	922
Band 1	5	13	17	43	5	13	13	33	40
Other*	98	54	35	19	46	25	4	2	183
Bands 1-9 total	7,544	47	4,663	29	3,261	20	447	3	15,915
Directors									321
V senior manager									132
Total staff									16,368

Other includes staff not on Agenda for Change pay scales but working at levels that would be equivalent to bands 1 – 8d.

Humber and 30% in South Central. While the proportions are higher across the board, the pattern is similar to 2009 when again South East Coast reported the lowest proportion of qualified accountants (20%) and South Central the highest (27%). Most demonstrated a two or three percentage point increase in qualified staff as a proportion of all staff. The biggest increase in proportion was in the North East (five percentage points), while the lowest increase was in the South West (one percentage point).

The lowest proportion of students relative to overall staff numbers is in the East of England (10%), with London (17%) having the highest proportion. However for both qualifieds and students, proportions will be affected by overall staffing levels in each SHA area, which will be influenced by the use of shared services within a particular patch. Greater use of shared services for transactional

services is likely to lead to fewer junior finance staff, leading to a higher proportion of qualified staff.

Some 43% of qualified accountants are CIMA qualified – a two percentage point increase on 2009. A further 28% are ACCA qualified (no change on 2009), while 20% are CIPFA qualified (down two percentage points compared with 2009). ICAEW is also down one percentage point at 8% overall. At the student level, CIMA continues to attract most accountancy students in the NHS – it accounts for 58% of all students (59% in 2009). ACCA has slightly increased its share of students with 36% being one percentage point higher than 2009.

With 5% of the student market, CIPFA is unchanged in terms of its student market position. However, all these proportions have to be seen in the context of an overall reduced number of students at 2,217.

This represents an overall **► continues p23**

TABLE 24: QUALIFICATIONS BREAKDOWN BY SHA HEALTH ECONOMY

	Staff in post headcount	CCAB/equiv qualified	CCAB/equiv student	Audit qualified	Audit student	Payroll qualified	Payroll student	Other accounts degree qualified	Other accounts degree student
North East	785	215	96	1	0	7	1	25	1
North West	2,861	749	403	23	8	11	4	28	4
Yorkshire and the Humber	1,725	507	195	4	4	18	3	22	6
East Midlands	1,196	332	138	0	0	8	3	28	3
West Midlands	2,086	554	304	6	2	18	1	28	8
East of England	1,560	399	161	3	0	8	2	23	6
London	2,659	747	461	1	0	22	6	12	10
South East Coast	1,143	266	151	8	0	13	4	3	0
South Central	738	223	98	1	0	0	0	4	1
South West	1,615	404	210	10	1	20	12	24	2
Total	16,368	4,396	2,217	57	15	125	36	197	41

ASSISTANT DIRECTOR OF FINANCE, BAND 8C

Mike Burns, NHS North West

Mike Burns is responsible for a wide range of financial reporting and planning processes in the north-west of England. Mr Burns, who is on secondment from Wrightington, Wigan and Leigh NHS Foundation Trust, looks after financial reporting (for primary care trusts and non-foundation trusts, which report monthly), financial planning, capital planning and QIPP (quality, innovation, productivity and prevention) finance in the region. He manages one member of staff.

He is particularly busy on planning at the turn of the year – primary care trust clusters and non-FTs submit their initial spending and savings plans for the new financial year to the SHA in January. Once they have been reviewed at the SHA level and feedback from the Department of Health is taken into account, he will engage with the clusters to produce final plans by the end of March.

Working closely with the strategic health authority's QIPP team, he leads on QIPP finance and he has recently taken over responsibility for capital reporting.

Mr Burns, who is CIMA-qualified, joined the NHS in 2008 having previously worked in a number of sectors, including financial services, retail, banking and consultancy. He is enjoying his role at the SHA.

'It is quite a wide-ranging role, but it is very interesting. I moved across from a foundation trust where my role was head of commercial planning and management accounts, which included management accounts, reviewing strategic investment plans, reviewing business cases, capital planning and reviewing commercial opportunities, but this is completely different,' he says.

DEPUTY DIRECTOR OF FINANCE AND INFORMATION, BAND 9

Nik Khashu, St Helens and Knowlsey Teaching Hospitals NHS Trust

As well as the day-to-day management of about 100 finance department staff, deputising for the director of finance and being a member of trust committees, Nik Khashu's responsibilities cover the full range of finance activities. These include clinical coding, information, procurement, financial management, financial accounts, financial systems, treasury, contracting and commissioning and marketing.

Each month, he oversees the production of reports and submissions, including financial and performance board reports, FIMs, CIP returns and FT performance returns. In addition, his team may be required by the trust board, commissioners or strategic health authority to produce ad hoc reports and ensure the annual statutory accounts for the trust are completed and submitted to a high standard.

CIPFA-qualified, Mr Khashu has spent all his working life in the NHS – joining the service in 1997 as a graduate trainee. 'I enjoy the staff element of my job the most,' he says. 'I like to see staff

develop and change as they get more experience and enjoy helping them do so.'

As well as being a member of the HFMA, he is involved in regional staff development committees and is an active mentor.

He relishes getting involved in trust strategy. 'If you are planning to move up, the last thing you want to be is just a director of finance who can add up the numbers well.

'You must accept an equal responsibility for all trust issues, including quality, safety, HR, performance and strategy. I am privileged to be able to get involved in strategy because I have a great team behind me. Throughout my career I have worked with exceptional managers and colleagues who have trusted me to work on issues that are not just finance related.'

It's a tremendously busy role and he believes demands have increased. The peaks of work are higher and more sustained, while the troughs are less marked and shorter, he adds.

Technician/ NVQ qualified	Technician/ NVQ student	Not qualified or studying
161	33	245
309	120	1,202
150	87	729
143	68	473
176	110	79
161	62	735
103	91	1,206
112	43	543
66	50	295
164	59	709
1,545	723	7,016


TABLE 25: QUALIFIED ACCOUNTANTS AS PROPORTION OF ALL FINANCE STAFF

	Staff in post headcount	CCAB/equiv qualified	CCAB/equiv qualified as % of all staff	CCAB/equiv student	CCAB/equiv student as % of all staff
North East	785	215	27	96	12
North West	2,861	749	26	403	14
Yorkshire and the Humber	1,725	507	29	195	11
East Midlands	1,196	332	28	138	12
West Midlands	2,086	554	27	304	15
East of England	1,560	399	26	161	10
London	2,659	747	28	461	17
South East Coast	1,143	266	23	151	13
South Central	738	223	30	98	13
South West	1,615	404	25	210	13
Total	16,368	4,396	27	2,217	14

TABLE 26: MIX OF ACCOUNTANCY QUALIFICATIONS

	Staff in post headcount	CCAB/equiv qualified	ACCA qualified	ACCA qualified as % of all CCAB/equiv	CIMA qualified	CIMA qualified as % of all CCAB/equiv	CIPFA qualified	CIPFA qualified as % of all	ICAEW qualified	ICAEW qualified as % of all
North East	785	215	46	21	102	47	53	25	14	7
North West	2,861	749	158	21	341	46	196	26	51	7
Yorkshire and the Humber	1,725	507	167	33	222	44	81	16	37	7
East Midlands	1,196	332	78	23	176	53	58	17	18	5
West Midlands	2,086	554	122	22	251	45	137	25	36	6
East of England	1,560	399	134	34	155	39	69	17	39	10
London	2,659	747	263	35	281	38	117	16	61	8
South East Coast	1,143	266	113	42	94	35	33	12	24	9
South Central	738	223	43	19	125	56	34	15	20	9
South West	1,615	404	103	25	162	40	86	21	53	13
Total	16,368	4,396	1,227	28	1,909	43	864	20	353	8

TABLE 27: ACCOUNTANCY STUDENTS BY CCAB BODY

	Staff in post headcount	CCAB/equiv students	ACCA students	ACCA students as % of all CCAB/equiv	CIMA students	CIMA students as % of all CCAB/equiv	CIPFA students	CIPFA students as % of all	ICAEW students
North East	785	96	26	27	63	66	6	6	1
North West	2,861	403	111	28	269	67	19	5	4
Yorkshire and the Humber	1,725	195	99	51	89	46	7	4	0
East Midlands	1,196	138	26	19	94	68	16	12	1
West Midlands	2,086	304	101	33	176	58	22	7	0
East of England	1,560	161	69	43	83	52	8	5	1
London	2,659	461	223	48	218	47	18	4	1
South East Coast	1,143	151	68	45	78	52	2	1	1
South Central	738	98	28	29	67	68	2	2	0
South West	1,615	210	54	26	148	70	6	3	2
Total	16,368	2,217	805	36	1,285	58	106	5	11

TABLE 28: MIX OF CCAB BODIES (QUALIFIED AND STUDENT)

	CCAB	ACCA	CIMA	CIPFA	ICAEW	Other
Qualified	4,396	1,227	1,909	864	353	43
Student	2,217	805	1,285	106	11	10
CCAB total (qualified and students)	6,613	2,032	3,194	970	364	53
% of all CCAB/equivalent		31%	48%	15%	6%	1%

About this guide

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► **from p20** reduction of 173 CCAB accountancy students since 2009. That's about 17 fewer students per SHA area. (The census does not include students on the national training scheme as these students are employed centrally and considered supernumerary to local organisations' finance teams.)

Combining qualified accountants and students, the figures suggest that just under half the overall CCAB accounting community has opted for CIMA (48%), compared with 31% for ACCA and 16% for CIPFA – practically the exact shares that existed in 2009.

ICAEW student as % of all	Other international qualification students	Other international students as % of all CCAB/equivalent
1	0	0
1	0	0
0	0	0
1	1	1
0	5	2
1	0	0
0	1	0
1	2	1
0	1	1
1	0	0
0	10	0

The future finance function

The NHS finance function faces significant challenges in the coming years. It will have a lead role in maintaining financial stability during a period of extreme financial pressure and potentially disruptive organisational change.

It will also have a crucial role working alongside clinical colleagues to develop better understanding of existing services, variations and costs and inform the development of better pathways.

The reduction of like-for-like finance staff numbers between the two censuses of 2009 and 2011 suggest that finance departments have already made a contribution towards reducing overall running costs. Indications of a higher skill mix also suggest a greater focus on strategic roles and supporting decision making and a move away from transactional activity, perhaps as a result of greater efficiency and the harnessing of technology.

Further changes to finance teams lie ahead – particularly in the commissioning sector, where finance staff may well be divided between providing direct support to clinical commissioning groups, working in the new Commissioning Board or working within commissioning support organisations.

The approach to where certain functions are provided – where the dividing lines are drawn – may well be different from area to area.

The HFMA and FSD currently plan to re-run the census in the summer of 2013. ■

The reduction of like-for-like staff between censuses suggests that finance departments have already made a contribution towards reducing overall running costs



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