

Chief Executive's Report

Business review

The past year has seen some of the most significant changes in terms of business development since UKAS formed in 1995.

Most of the changes related to development in the healthcare sector. At the start of the year, UKAS was contracted by the Department of Health (England) to investigate the possibilities to use accreditation to ensure quality in the delivery of Point of Care Testing. Point of Care Testing covers a range of tests that are increasingly being made outside of the usual confines of a Doctor's surgery (for example, for cholesterol measurement) and for obvious reasons, it is vital that these tests are carried out consistently and accurately. The role of accreditation in helping deliver consistent quality in Point of Care Testing is under development.

In September 2008, UKAS was selected by the Royal College of Radiologists and the Society and College of Radiographers to develop an accreditation scheme for diagnostic imaging services, which covers, for example, body scanners, x-rays and ultrasound checks carried out in hospitals across the UK. This project is a major development. In the coming 3-5 year period, it is expected that the majority of the UK's imaging service providers (both NHS and private) will apply for accreditation to the new standard. When this is achieved, it is estimated that it will grow UKAS's current business by approximately 40%.

Finally, December 2008 saw the publication of Lord Carter's report into the modernisation of pathology services in the UK. One part of the report focused on the delivery of accreditation services and made a number of recommendations that have since resulted in the acquisition of Clinical Pathology Accreditation (UK) Limited (CPA) by UKAS. CPA assesses nearly 1,250 medical laboratories, mainly in the UK but also operating in the Republic of Ireland, Italy and the United Arab Emirates. UKAS is delighted to welcome CPA, its employees and stakeholders into the UKAS family.

Following these three major areas of progress in accreditation in healthcare, UKAS has received several enquiries from other areas of healthcare and further schemes could be in development in 2009-2010. These developments are not only significant for UKAS in terms of business expansion, but also underline the growing relevance of accreditation in other areas of society and serve to underline UKAS's public interest ethos in helping the NHS and other Healthcare providers deliver high quality services.

However, turning to UKAS's current business, one of the more significant events in the year concerned certification bodies and the transition to the new standard ISO/IEC 17021 which replaced ISO/IEC Guide 62: 1996 and ISO/IEC Guide 66: 1996.

The new standard placed rigorous requirements for competence and impartiality on bodies that offer audit and certification to standards such as ISO 9001: 2000 and ISO 14001:2004. UKAS followed the International Accreditation Forum guidelines to allow a two year transition period to the new standard, and as of 15th September 2008, all certification bodies had to be working to the new standard.

The transition period was a very challenging time for both UKAS and its CB customers, and we fulfilled our main aims to ensure that all CBs had the same opportunity and support from UKAS to achieve accreditation by 15th September 2008.

I am pleased to report that UKAS received positive feedback from a significant number of CBs about our approach and I would like to thank the UKAS employees who put in much extra work during the summer months to ensure we met our deadlines for the transition.

A side of UKAS less frequently seen by our direct customers is the activity with Government and other opinion leaders to make them aware of the value of accreditation. Events included the UKAS Think Tank which took place in November 2008 on the topic of "Quality and Equality", debating the role that regulation, accreditation and standards might play in support of the forthcoming Single Equality Bill. This followed on from a very successful reception held at the House of Lords to promote the value of accreditation to more than 100 senior Government officials. We were delighted that Ian Pearson, the then Minister of Innovation and Skills was able to deliver the keynote address to the event.

All of these activities help raise the awareness of accreditation and UKAS is grateful for the support it receives from DIUS (now BIS) in this area.

In November 2008, UKAS held a customer Open Day, which was over-subscribed with some 120 customers filling the conference centre at Centre Point, London. A series of presentations and discussions encouraged a positive open debate with many of our customers. I was very pleased at the level of feedback from customers who remarked on improvements to UKAS's service delivery.

Finally, in March 2009, UKAS said farewell to Richard Crookes, who has been Finance Director with UKAS since 1996. Richard has played a vital part in UKAS's development and will be greatly missed. My colleagues and I would like to thank Richard for his key contributions to UKAS over the years and wish him a long and happy retirement.

I am also delighted to announce that Alan Hill replaces Richard and I am certain that Alan will continue to develop the finance and IT functions within UKAS in the coming years.

Outlook

2009/10 promises to be a challenging year for UKAS on several fronts.

Firstly, UKAS has to consolidate its work in the healthcare sector by ensuring that the Imaging Service Accreditation Scheme (ISAS) is successfully launched and implemented. The integration of CPA within the UKAS corporate and legal structures will also demand our attention simultaneously with the requirements for UKAS to implement the changes to medical laboratory accreditation recommended in Lord Carter's report.

The work that UKAS is carrying out in these areas of pathology and diagnostic imaging has raised the profile of accreditation in other areas of the health service, and there may be further areas of new work in the coming year.

Despite the potential for growth in areas of healthcare, the external business climate is one of recession and UKAS has regrettably lost a few customers who have gone into liquidation. UKAS is also having to deal with a number of bad debts with customers who are unable to pay for the services that UKAS has provided. Alan Hill is focused on minimising the risk to UKAS whilst taking a sympathetic and supportive role to help customers who may be experiencing financial problems and this will continue to be the case in the coming year.

A further consequence of the recession is that income from training schemes has fallen sharply and this is likely to affect our year-end profitability.

However, despite the recession, UKAS is still seeing a steady flow of applications from new customers, which is offsetting some of the losses.

In summary, in the coming year, UKAS faces some big challenges brought on by the recession, but will continue to strive to improve its service delivery to customers and will consolidate and develop the areas of new business gained in healthcare.

Paul Stennett, Chief Executive