

Royal College of Nursing priorities for investment HM Treasury Fiscal Event 2022

With a membership of almost half a million registered nurses, midwives, health visitors, nursing students, health care assistants and nurse cadets, the Royal College of Nursing (RCN) is the voice of nursing across the United Kingdom and the largest professional union of nursing staff in the world. RCN members work in a variety of hospital and community settings in the NHS and the independent sector. The RCN promotes priorities for nursing and patient safety, works closely with wider professional bodies and trade unions, and lobbies governments and other bodies across the UK to develop, influence and implement policy that improves the quality of patient care.

1. Introduction

- 1.1. The HM Treasury *Growth Plan* announced on 23 September 2022 stated that it aimed to encourage “...sustainable growth [which] will lead to higher wages, greater opportunities and provide sustainable funding for public services.” This plan comes against a backdrop of rising inflation and costs of living, the energy crisis and many professional unions calling for better pay and working conditions.
- 1.2. The Health and Care system itself is on its knees, seeing sharply rising demand, a growing backlog and a projected bad winter which, due to the knock-on effect of energy prices pushing many into poverty, may see a rise in cold weather illnesses.
- 1.3. Investment in the nursing workforce and the wider health and care system is urgently needed to begin to repair and restore lost progress towards improving population health. Health and care needs amongst the population continue to grow, and this is not reflected in growth in service provision or workforce capacity.
- 1.4. The UK Government is seeking solutions which grow the economy. Nursing is key to unlocking productivity. When governments invest in the health and care workforce, the capacity of health and care services is expanded. More people can access the health and care support they need, improving the overall health of the nation. In turn, a healthier population is more productive, fuelling economic growth.
- 1.5. Without direct intervention, there is a strong likelihood of nursing staff leaving the profession in order to seek better paying jobs. With the current vacancy rate of close to 50,000 roles for registered nurses in the NHS in England alone, we cannot afford to lose any more nursing staff who are vital to patient safety, and the health and wellbeing of our communities.
- 1.6. The UK Government must do more to support nursing staff and the communities they serve. For the first time, in the UK’s political history, the Secretary of State for Health and Care is also the Deputy Prime Minister, this presents a unique opportunity to prioritise greater investment into building and retaining the nursing workforce required to deliver safe and effective care for patients across the UK.

2. Requirements for investment

- 2.1. The UK Government must fully fund, and governments in the UK must commit to, a substantial, restorative, pay rise at 5% above the rate of inflation for NHS Agenda for Change staff to address the nursing workforce crisis and the long-term reduction in the value of nursing pay. Only a pay award at this level, forming an essential down-payment, will begin to restore lost earnings caused by successive years of below inflation pay uplifts.
- 2.2. In addition to an initial restorative pay award, we call on the UK and devolved nation governments to implement national Retention Premia Payments and Recruitment Premia Payments for the nursing workforce as a matter of urgency and priority. Without a substantial restorative pay rise and a significant recruitment and retention package nursing confidence in the Agenda for Change structure will be impossible to maintain and the nursing workforce, who are the backbone of the NHS, will be decimated.
- 2.3. There must be at least parity of pay, terms, and conditions with NHS Agenda for Change for registered nurses and nursing support workers in all health and care organisations, as well as improved access to further training, development, and clear career pathways
- 2.4. There must be sufficient dedicated funding of CPD and improved access for all registered nurses and nursing support workers, in all health and care settings, alongside pay progression and career development opportunities. Funding of CPD by governments must be based on modelling on future service and population-based need.

3. Four nation funding and the Barnett Formula

- 3.1. Countries across the UK benefitted greatly from the European Union (EU) Structural Funds which funded allocations designed to support economic development and reduce disadvantage between regions and countries in Europe. Following the UK's departure from the EU, the UK Government proposed a UK Shared Prosperity Fund (SPF) which they pledged would 'at a minimum match to the size of the structural funds in each nation'.ⁱ
- 3.2. The UK Government must respect the democratically agreed devolved settlements and ensure the devolved governments are included in the development and distribution of the SPF, Levelling Up Fund and Community Ownership Fund.
- 3.3. Nations across the UK have different populations, differing degrees of rurality and affluence and therefore have different health and care needs. As UK funding is distributed via the Barnett Formula, all new public spending in devolved areas should necessitate a transfer of consequential funding.
- 3.4. The current cycle of one-year budgets hinders long-term planning. Moving to multi-year budgeting would enable devolved governments to make progress on issues such as workforce planning and transformation. For example, this was set out in the New Decade, New Approach Agreement in Northern Ireland but this

has not yet been implemented. This is because of a failure to form an Executive and an ongoing budget crisis.

- 3.5. Improved transparency is urgently needed from the Exchequer on consequential funding resulting from spending announcements. This applies in particular to ring-fenced funding intended for workforce, including for pay rises, in any NHS-funded services. Including GP-provided primary care and other independent providers.
- 3.6. The RCN calls for greater transparency from the UK Government over the method used for establishing funding for the devolved administrations. This must include the impact of UK Government funding announcements which impact the devolved nations.
- 3.7. The RCN also calls for funding allocations that accurately reflect the level of investment required to deliver effective policy and funding for each nation. It is vital that all devolved administrations ensure that the Barnett consequentials (including any money ringfenced for workforce) is passed on to devolved NHS services.

4. Pay

- 4.1. Investment is critical and urgently required to support short-term and longer-term workforce planning, in each country of the UK, to improve recruitment and retention and to ensure staffing for safe and effective care. At the heart of this must be nursing pay across all sectors that reflects staff commitment and contribution, and addresses years of underfunding.
- 4.2. Nursing staff are already long overdue a pay rise that recognises their value, skills and expertise. For more than 10 years, nursing pay has declined in real terms. Since 2010, the value of nursing salaries have typically fallen by 20% in real terms. Newly qualified nurses usually start at the bottom of band 5 on the Agenda for Change payscale. This salary of £27,055ⁱⁱ is below the average (median) pay for UK employees at around £31,000ⁱⁱⁱ.
- 4.3. Many nursing staff earn less than the average UK salary, meaning they are more vulnerable to high inflation, recession and spiralling energy bills. Too often, we hear stories of nurses working extra shifts, overtime or second jobs to make ends meet. Not only does this lead to tiredness, stress and burnout, but it could also increase the risk of mistakes.
- 4.4. Fair pay, safe working conditions, and sufficient staffing levels are key to retention. Without a pay rise, the UK and devolved nation governments risk further attrition within the workforce, leading to gaps and vacant posts, ultimately putting patients and the public at risk.
- 4.5. Nursing is a safety-critical profession, and the government cannot afford to lose nursing staff in the context of a workforce crisis. It should take immediate action to provide a pay rise at 5% above inflation. The public supports nurses receiving a pay rise, with nearly two thirds supporting strike action^{iv}. This polling was undertaken during summer 2022 when the cost-of-living crisis had already begun to emerge.

5. Nursing workforce recruitment and retention

- 5.1. Nursing staff shortages across the UK were already severe, sustained and unresolved prior to the pandemic. The scale of the issue continues to be of serious concern, with nursing vacancies high – currently around 67,000 within the NHS and social care across the UK.^v Therefore, the UK and devolved nation governments must take steps to invest in nursing supply, without over-reliance on international recruitment, which is unsustainable and potentially unethical.
- 5.2. The 2021 RCN employment survey^{vi} - completed by registered nurses, health care support workers, students and nursing associates working across all areas of health and social care – found almost six in ten respondents (56.8%) are considering or planning on leaving their current post. This was strongest among nursing staff working in NHS hospital settings, and the main reasons given for thinking about leaving were feeling undervalued and experiencing too much pressure.
- 5.3. These factors suggest there will likely be a continued increase in the numbers of nurses leaving the UK register over the next few years.
- 5.4. This is already evident in the NHS registered nurse vacancies in England. The most recent NHS Vacancies data (June 2022) shows that there are currently 46,828, this is a vacancy rate of 11.8% in the NHS in England^{vii}. Over the course of the last two years the pandemic has further highlighted the fragility of our health and care systems across the UK. Including a significant lack of strategy and preparedness, particularly in terms of workforce resources.
- 5.5. Evidence demonstrates how registered nurse staffing levels directly impact the safety and quality of patient care, including decreased patient mortality and reduced hospital admission.^{viii}
- 5.6. Analysis of data from around 3,000 registered nurses working in hospitals in England showed that for every additional patient per nurse (e.g. increased nurse workload) there was a 9% reduction of time for discussing patient care and a 3% increase in reported loss of care information during shift changes.^{ix} A study on sepsis care revealed that each additional patient per nurse was associated with the patient being 12% more likely to die in hospital.^x These studies demonstrate the vital link between nurse staffing levels and safe and effective patient care.
- 5.7. The UK Government is pursuing the Conservative Party's 2019 General Election Manifesto pledge to recruit 50,000 more FTE nurses in England by 2024.^{xi} Despite this commitment, the forecasting or modelling underpinning this goal has not been made transparent. The recently published programme update does not provide assurance that the 50,000 target reflects actual workforce requirements, now or in the longer term.^{xii} Yet currently, in the context of widely reported and understood vacancies and an increase in the number of nurses leaving the register, there is no shared credible understanding of the workforce shortages and the increasing demand in population need for health care. There is no holistic health and care workforce plan in England or Northern Ireland. This severely limits the ability of the system to plan for and supply the necessary registered nurses needed to ensure safe and effective patient care, for now or in the future.

- 5.8. Many of the interventions needed to respond to drivers affecting workforce planning – such as increasing acuity and complexity of healthcare needs in the population - are far beyond the scope of local or regional structures. Therefore, health and social care systems require UK Government investment to respond to the needs of the population.
- 5.9. In recognition of the unprecedented pressures COVID-19 has added to the NHS, the government have announced several packages of additional funding for the NHS in England, including a £36billion investment to tackle the NHS backlog of elective care, funded by the new Health and Social Care Levy^{xiii}. However, with the levy potentially being cut, and without a specific commitment of funding to address staffing shortages across the health and care workforce, recovery from the impact of COVID-19 will be impossible and the crisis facing our health and care system will remain. It is critical that funding is provided to workforce supply, recruitment, and retention through a fully funded workforce strategy.

6. England nursing supply- investment in nursing higher education

- 6.1. In 2017 Government removed the funding for nursing students in England replacing the nursing bursary with student fees and loans. Government's stated intention of the bursary removal was to lift the cap on the numbers who could enter the system and open up a market-led approach. Instead, this change resulted in three years of lower nursing applications and stagnating numbers of acceptances.
- 6.2. Increases in students accepted onto nursing courses were seen in 2020 (23% higher than 2019) and 2021 (3% higher than in 2020) due to the interest sparked by global pandemic and introduction of living costs grant.^{xiv} The increase has not proved sustainable, in 2022 the numbers of students accepted onto nursing programmes has fallen by 9% since 2021 figures.^{xv}
- 6.3. Government should fund tuition fees and living costs for all nursing, midwifery and allied health care students, to boost supply of domestic nurses. Fees should be reimbursed or current debt forgiven for nursing, midwifery and allied health graduates impacted by the removal of the bursary in 2017, either through up front payment or through reimbursement such as a forgivable loan system. Funding for tuition fees would future proof the profession against changes to the student loans system, and ensure interest in nursing careers to deliver enough new nurses into the system to tackle chronic workforce shortages and disproportionate numbers of nurses retiring.
- 6.4. Large-scale changes to the repayment terms and conditions of student loans will impact on affordability of nursing courses. In February 2022 the Department for Education released a policy statement on Higher Education Funding and Finance.^{xvi} The changes are a response to a Post-18 review of education and funding chaired by Philip Augar that reported in 2019.^{xvii} Reforms include lowering the repayment threshold and extension of the repayment period are deeply regressive and will disproportionately impact on nursing graduates, the vast majority of whom will not repay their loan in the repayment period and will be subject to higher repayments for ten years longer than they do currently.

- 6.5. Remedial measures must be in place to ensure that nurse supply is not impacted by these changes. A costed^{xviii} example of how this might be achieved is through a loan forgiveness offer. Numbers of new nurses through higher education supply could be boosted by providing forgivable loans to nurses, midwives and allied health professionals in return for service in the NHS.
- 6.6. This would involve the writing-off of student loan debt for graduates in exchange for NHS service. With 30% of the loan balance written off after 3 years' service in the NHS, 70% after 7 years and 100% after 10 years. This could help to address the disparity resulting from unfair changes to student finance.
- 6.7. Although the cost is higher than under the Augar system, this still represents a £150m saving to the exchequer per nursing student cohort compared to the cost of the current system, because individuals will still be subject to the lower threshold while making repayments.

7. International Workforce

- 7.1. International nursing staff make vital contributions to the health and care sector in the UK, with almost 1 in 5 (18%) of registered nurses in the UK having trained internationally. Growths in the NMC register can be largely attributed to internationally trained nurses, latest NMC data show that of 48,436 new joiners to the NMC register, 48 percent had trained overseas.^[i] International recruitment continues to be pivotal to UK governments' plans to fill workforce gapsⁱⁱⁱ ^[iv] however there are several financial barriers to international recruitment.
- 7.2. Our members have consistently told us that the condition of 'no recourse to public funds' – that is applied to migrant workers without indefinite leave to remain (ILR) – is unnecessary and brings financial hardships. There is a risk that international nursing staff feel that they have no choice but to stay in employment or domestic situations which might cause them physical or psychological harm. Nursing staff already pay taxes and contribute to the welfare system through national insurance and therefore must be granted equal and fair access to public funds. Accessing public funds is a human right that all should be able to access, the UK Government must end this policy and allow individuals without ILR to access public funds.
- 7.3. Currently, health and care employers are required to pay a fee of up to £5,000 when hiring an internationally educated individual, in line with the Immigration Skills Charge. Medium or large sponsors are required to pay a fee of £1,000 for hiring an international health care worker for the first 12 months of their visa. This fee reduces to £500 every six months after that for the duration of their visa. For some organisations this can amount to millions of pounds over a few years as employers continue to rely on international staff to fill domestic gaps.
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- 7.4. Such high fees are untenable for a system already facing significant financial pressure and are at odds with the UK Government's current drive to recruit internationally educated nurses. The health and care system must not be faced with these unjust fees for safely staffing their services. It is therefore vital that the Occupation Codes 2231 (Nurses – all jobs) and 6141 (Nursing auxiliaries and

assistants – all jobs) are added to the list of exemptions from the Immigration Skills Charge.^{xx}

8. Official development assistance

- 8.1. COVID-19 has created profound new challenges for global health and exacerbated pre-existing inequalities within our populations. As countries across the world look to re-build and strengthen their health systems – and in the context of the global health workforce crisis – the RCN remains deeply concerned that the UK has chosen to renege on its leadership in international development by slashing official development assistance (ODA) spending at a time where investment is needed more than ever.
- 8.2. The decision to cut ODA spending from 0.7% of Gross National Income (GNI) to 0.5% brings the UK below the United Nations target for ODA.^{xxi} It is imperative that the Government re-affirms the UK's position as a world-leader in development and works to re-instate the commitment to spend 0.7% of GNI on ODA in order to strengthen nursing and midwifery, rebuild health systems, ensure better health outcomes for all, and ultimately, to achieve Government's commitments to delivering Universal Health Coverage and the Sustainable Development Goals.

9. Social Care Funding and workforce planning

- 9.1. Nursing provision within social care is delivered by a range of providers with variance across the four countries of the UK. As such, much of nursing in social care is delivered by independent providers. This means there is no universal framework for pay, terms and conditions or banding of nursing roles. This leads to variation in nursing pay, terms and conditions between different individuals.
- 9.2. Government recruitment and retention policies have historically overlooked registered nurses in social care. Pay for registered nurses in social care is often significantly less than their NHS counterparts^{lx}, and there is no national pay structure.
- 9.3. Nursing staff¹ working within social care settings should have competitive pay, terms and conditions with their colleagues with the same level of knowledge, skills and responsibility within the Agenda for Change structure.
- 9.4. The average number of sickness days taken every year among registered nurses working in the social care sector has almost doubled during the pandemic, increasing from an estimated average of around four days per year in 2019/20 to 7.7 in 2020/21^{lv}. Registered nurses working in social care often work in smaller teams than those in acute NHS settings, meaning that an unexpected sickness absence can have an even greater impact on both patients and the colleagues required to cover their work.
- 9.5. Across the UK there are significant issues with nursing supply, recruitment and retention. This leads to vacant posts and staffing levels which do not deliver safe

¹ By 'nursing staff' we mean all nursing roles including registered nurses, nursing support workers, nursing associates (England) and others.

and effective care. In social care the continued decline of registered nurse numbers and turnover of nursing staff is of particular concern. There are also shortages amongst nursing support staff.

- 9.6. In order to begin addressing these workforce challenges, there should be a fully costed and fully funded workforce strategy covering all parts of the health and care workforce in each country of the UK.
- 9.7. Workforce strategies should take specific steps to ensure that overall nursing supply increases result in an expansion in the numbers of nursing staff working in social care settings. This may include initiatives such as an increase in the availability of higher-level apprenticeships which provide a career development framework culminating in a nursing degree.
- 9.8. Overall, demand for services across the UK's health and social care systems is rising along with the number of nursing vacancies. In addition, there is no sustainable plan for increasing the staff required to address the workforce crisis within the adult social care sector, and no action on pay.
- 9.9. We therefore call for additional investment in nursing supply to improve conditions and expand the numbers of staff joining the social care workforce.

10. RCN Priorities for the September 2022 Fiscal Event :

- 10.1. *UK Government must prioritise the following :*
- 10.2. Barnett Formula: Provide greater transparency on how consequential funding is calculated, and transparency is also required for spending. This applies, in particular, to ring-fenced funding intended for workforce, including for pay rises, in any NHS funded services, including GP provided primary care and other independent providers.
- 10.3. Fair pay for nursing in the UK: Introduce a fully funded fair and meaningful pay increase for all nursing staff covered by Agenda for Change terms. This must not come from existing budgets.
- 10.4. International workforce: Address unethical international recruitment practices and ensure positive experiences for international nurses coming to work in the UK. This includes addressing excessive and punitive penalty clauses and ensuring all internationally recruited nurses are supported and have equal access to a range of education, learning, training and professional development opportunities.
- 10.5. Nursing education supply: Increase the supply of registered nurses through nursing higher education by funding tuition fees and maintenance grants which are reflective of actual need of all nursing students in England.
- 10.6. Higher nursing education: Commit sufficient and dedicated funding for CPD for all nursing staff, in all health and care settings, alongside pay progression and career development opportunities. Funding must be based on modelling of future service and population-based need, as well as the skills mix required.
- 10.7. Health inequalities: Improving population health and reducing health inequalities must be cross cutting government priorities and central to the levelling up agenda. Government must commit to a fully funded cross governmental health inequalities strategy to address the social determinants of health, led by the Prime Minister.

- 10.8. Public health to meet the needs of the population: Deliver a long term, increased, sustainable funding settlement for public health services commissioned and delivered by local authorities in England, to enable local authorities to plan and deliver safe and effective services that improve and protect the health of their population and reduce inequalities.
- 10.9. Sustainable social care: Deliver a long-term funding settlement for social care in England based on a robust assessment of population needs.

ⁱ UK Parliament House of Commons Library (2021) 'Research Briefing The UK Shared Prosperity Fund' <https://commonslibrary.parliament.uk/research-briefings/cbp-8527/>

ⁱⁱ [Pay scales for 2022/23 | NHS Employers](#)

ⁱⁱⁱ [Earnings and working hours - Office for National Statistics \(ons.gov.uk\)](#)

^{iv} [Two-thirds of the public now support nurse strike, poll shows, as Royal College of Nursing announces increased strike payments for members | Royal College of Nursing \(rcn.org.uk\)](#)

^v Northern Ireland health and social care (HSC) workforce vacancies September 2021 (2021)

<https://www.health-ni.gov.uk/publications/northern-ireland-health-and-social-care-hsc-workforce-vacancies-september-2021>; NHS Scotland Workforce December 2021 (2021)

<https://turasdata.nes.nhs.scot/data-and-reports/official-workforce-statistics/all-official-statistics-publications/07-december-2021-workforce/dashboards/nhsscotland-workforce/?pageid=5982>; RCN Wales

Nursing in Numbers November 2021 (2021) <https://www.rcn.org.uk/news-and-events/news/w-rcn-wales-publishes-nursing-in-numbers-2021-report-revealing-current-workforce-statistics-231121>; NHS Vacancy

Statistics – England December 2021 (2021) <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey>

^{vi} Royal College of Nursing *Employment Survey 2021* (2021) <https://www.rcn.org.uk/professional-development/publications/Employment-Survey-2021-uk-pub-010-075>

^{vii} <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---june-2022-experimental-statistics>

^{viii} McHugh M D, Aiken L H, Sloane D M, Windsor C, Douglas C and Yates P (2021) Effects of nurse-to-patient ratio legislation on nurse staffing and patient mortality, readmissions, and length of stay: a prospective study in a panel of hospitals, *The Lancet*, 397(10288), pp. 1905–1913.

^{ix} Emmanuel T, Dall’Ora C, Ewings S and Griffiths P (2020) Are long shifts, overtime and staffing levels associated with nurses’ opportunity for educational activities, communication and continuity of care assignments? A cross-sectional study, *International Journal of Nursing Studies Advances*, p. 100002.

^x Lasater K. B, Sloane D M, McHugh M D, Cimiotti J P, Riman K A, Martin B, Alexander M, Aiken L H (2021) Evaluation of hospital nurse-to-patient staffing ratios and sepsis bundles on patient outcomes, *American Journal of Infection Control* 49, (7) 2021, pp 868-873

^{xi} Conservatives, *Conservative Manifesto 2019* (2019) <https://www.conservatives.com/our-plan>

^{xii} Department of Health and Social Care: 50,000 nurses programme, delivery update (2022) <https://www.gov.uk/government/publications/50000-nurses-programme-delivery-update/50000-nurses-programme-delivery-update#fn:2>

^{xiii} Gov.uk (2021) Record £36 billion investment to reform NHS and Social Care <https://www.gov.uk/government/news/record-36-billion-investment-to-reform-nhs-and-social-care>

^{xiv} [DHSC \(18 December 2019\) Nursing Students to receive £5,000 payment a year](#)

^{xv} [UCAS September 2022 Day 28 Clearing Data](#)

^{xvi} https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1057092/HE_reform_command-paper-print_version.pdf

^{xvii} [Post-18 review of education and funding: independent panel report - GOV.UK \(www.gov.uk\)](#)

^{xviii} The RCN commissioned economists at London Economics to fully cost loan forgiveness for nursing graduates under the proposed student finance “Augar” reforms

^[i] [The NMC register March 2022](#)

^[iv] [Coronavirus » Delivery plan for tackling the COVID-19 backlog of elective care \(england.nhs.uk\)](#)

^{xix} [UK visa sponsorship for employers: Immigration skills charge - GOV.UK \(www.gov.uk\)](#)

^{xx} [UK visa sponsorship for employers: Immigration skills charge - GOV.UK \(www.gov.uk\)](#)

^{xxi} [Reduction in the UK’s 0.7 percent ODA target - House of Lords Library \(parliament.uk\)](#)