

Royal College of Nursing Response to the proposed 2023/25 NHS Payment Scheme

About the RCN

With a membership of close to 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 UK and the largest professional body and trade union of nursing staff in the world. RCN members work in a variety of hospital and community settings across health and social care. The RCN promotes patient and nursing interests on a wide range of issues by working closely with the Government, the UK parliaments and other national and European political institutions, trade unions, professional bodies, and voluntary organisations.

This response sets out the RCN's reflections on the proposed 2023/24 NHS Payment Scheme and responses to the relevant consultation questions.

Question 5.2: To what extent do you support the proposed payment principles?

RCN Response: Strongly oppose

Please explain the reasons for your answer:

Payment arrangements must, most importantly, be reflective of the context of the recruitment and retention crisis. Without first investing in the workforce, efficiency drives are a misnomer and will be ineffective. The suggestion that nursing staff must work harder and longer against the background of tens of thousands of staff vacancies is unfair and unsafe. Productivity will not be improved until there is sufficient investment in the workforce based on an accurate assessment of patient and population need accompanied by a fully funded workforce plan.

Question 5.3: To what extent do you support the proposed 2023/24 cost uplift factor?

RCN Response: Strongly oppose

Please explain the reasons for your answer:

The cost uplift factor must be set at a level that is truly reflective of the current pressures on the system, to ensure that it does not cause further harm to the recruitment and retention of the workforce leading to further service pressures.

Inflation, in addition a decade of real terms pay cuts means that nursing pay has fallen significantly. Westminster's refusal to fund fair pay for nursing is a significant contributor to the recruitment and retention crisis currently gripping the NHS.

The UK Government must fully fund 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. This will begin to restore lost earnings caused by successive years of below inflation pay uplifts. Pay is the only lever available to government that will have an immediate impact on staff retention. Without direct and immediate action on pay, nursing staff will continue to leave the profession to seek better paying jobs.

Question 5.4: To what extent do you support the proposed 2023/24 efficiency factor?

RCN Response: Strongly oppose

Please explain the reasons for your answer:

The RCN is concerned that an efficiency factor should be set according to the current context, and as it stands represents significant cuts to funding at a time of increased pressure on services including dramatic cost of living increases. The prioritisation of financial efficiencies, rather than quality, across services could result in poor workforce planning to ensure the right people, with the right skills, are in the right places to meet the needs of patients. The additional pressure could potentially compromise the ability of providers to deliver the safe, effective and compassionate care that patients deserve.

Do you have any other comments on our proposals for the 2023/35 NHS Payment Scheme?

RCN comments:

The RCN is mindful that current payment systems can act as a disincentive to early intervention and timely discharge from acute settings because trusts are paid for activity rather than outcomes. The RCN supports the principle of the planned payment scheme for systems to work together for better outcomes. However, the RCN is also clear that proposals developed in the new NHS Payment Scheme must not detrimentally affect the existing mechanisms for negotiations on pay, terms and conditions for health and care staff. Any staff commissioned for NHS, public health and social care services across pathways should be in receipt of pay, terms and conditions which are at least equitable with Agenda for Change. Payment levels should be based on transparent economic modelling, to allow sense checking and scrutiny.

There is a real need for the Government to commit to sufficient funding allocations for workforce, to provide stability and prevent pressures in one area from compounding already existing pressures within the NHS. Workforce planning has not been integrated into decisions about service design or financial planning. When allocations are designed for public health and social care, they must include funding for growing and developing the workforce.

Given that there are so many gaps in the health and care workforce, it's important that this funding is not simply seen as a 'cost'. An investment in the health and care workforce provides clear and significant benefits. For example, evidence shows that when appropriate staffing levels are maintained, patients have shorter stays in hospitals, and that there is a positive association between appropriately planned nursing skills mix and patient safety outcomes. Wider than this, there is also a relationship between an investment in the health and care workforce, and the improvement this can bring to the health outcomes of the population. In turn, this means the population are healthier, and therefore are more productive, and productivity leads to economic growth.

Workforce stability produces a good return on investment and provides assurance that the health and care system is safe and effective. Sufficient Government investment ensures that individuals are not put in situations where their health is compromised and their quality of life put at risk due to avoidable staffing shortages in the health and care system.