Royal College of Nursing

RCN Policy Unit

Policy Briefing 07/2006

NHS Trust and SHA Deficts

Effects of Financial Recovery Plans and Service Reconfigurations

ABSTRACT
This briefing on NHS Trust and SHA Deficits has been compiled by the RCN Policy Unit. We are aware that policy impacts upon practice in a number of ways, not always for the better. In the RCN Policy Unit we depend heavily upon RCN member feedback and contribution to our policy development work. We have included sources of further reading and links through to other parts of the RCN website within the briefing and we look forward to hearing your views via the policy discussion zone or the policycontacts@rcn.org.uk e-mail address

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Analysis of the consultation documents for specific Trusts, which have so far been available to RCN Policy Unit indicate a number of emerging themes in a variety of areas:

The Case for Change

In every case, financial deficits are given as the primary reason for organisational change. The primary reasons given for the financial deficits are:

- Loss of financial controls
- Historic overspends
- Lack of accountability
- Lack of business focus
- Inefficient services
- Failure of previous financial recovery plans to achieve required savings.

Means for Addressing Deficits

Of the strategies identified for overcoming deficits, there appears to be consistent emphasis upon:

- Generating income (clinical and non-clinical services)
- Reducing non-pay costs
- Increasing clinical efficiency
- Protecting expenditure on direct patient care
- Reducing labour costs by natural wastage and redundancy
- Outsourcing non-clinical services

Rationale for Change

In every case, rather than stating that there will be no adverse effects on patient care as a result of the reorganisations, Trusts claim that the effects of change will be to enhance patient care and experiences. The logic of this argument is clearly demonstrated in the following statement from an

acute Trust's consultation on its service review and strategy for reconfiguration:

> This document highlights posts which may be removed as a result of reviewing skill mixes, restructuring roles and departments and introducing new ways of working…The changes being proposed will bring efficiency and improvements in the Trust resulting in an overall better experience for patients and stakeholders when using their local hospital.

Clinical Services and Workforce

It should be noted that there is no evidence from any Trust that deficits have arisen as a result of loss of contracts or lack of quality in clinical services. However, the principle means by which deficits are to be addressed in clinical services are:

- Skills mix reviews
- Streamlining the patient journey/pathway
- Restructuring clinical teams
- New ways of working (process re-engineering)

Although these restructuring reports consistently claim that their intention is to improve the quality of services to patients, the means by which this will be achieved include:

- Reducing labour costs by reducing workforce numbers and adjusting skills mix
- Closing Hospitals
- Closing Wards
- Reducing agency and bank nursing costs
- Recruitment freeze and vacancy management strategy
- Increasing the use of day surgery
- Shifting care closer to home

The Effects of restructuring and at-risk strategies on nurses at NHS Trust level

On the basis of the limited amount of information and data so far available to the Policy Unit a number of key features and themes appear to be emerging from the financial recovery and service reconfiguration plans. The following appear to be priority issues for consideration by the RCN and it's representatives:

- A potential threat to a significant and disproportionate number of nursing posts at AfC Band 7 and 8 posts at-risk as a result of skills mix reviews. This would indicate that nurse practitioner posts and nursing specialities are being consistently put at-risk as organisations seek to rationalise management functions.

- Specialist nurse practitioner posts being replaced or adapted to take on increasing managerial roles as a result of skills mix reviews and the need to cascade down management responsibilities.

- In acute services, even allowing for their relative domination of the workforce budget, the proportion of nursing posts at risk is significantly greater than any other discipline.

- The threat to posts within nursing directorates is not limited to AfC grades 5 and above with posts in all grades at risk, especially as result of service reviews which result in ward closure and hospital closures.

- Relative absence of medical practitioner posts at-risk

- There is a significant and worrying lack of detail and absence of information relating to skills-mix and service configuration models which are being used for benchmarking processes. Furthermore, there is no evidence that staff side organisations have been involved in the design or selection of these models.

Issues arising from Workforce Planning and Strategic Plans at SHA level

A number of issues have emerged as a result of scrutiny of SHA workforce and strategic plans including strategies to:

- achieve a reduction in band 5 AfC posts achieved by the alternative use of extended roles for assistant and advanced assistant practitioners at band 4.

- reduce pre-registration commissions by approximately 10%

- reduce post-registration commissions by 10-20%

Furthermore, some SHAs make a statement regarding the requirement for NHS Trusts and PCTs to realise the outcomes of the "AfC benefit acquisition plans".

Effects of recovery plans and restructuring on services to patients

The main effects of the recovery plans on services to patients have included:

- Increasing distances and travel times to services, especially in rural areas, where services and facilities have been closed, consolidated on specific sites or relocated in rural areas, further exacerbated where Ambulance Trusts are reducing non-emergency services. (United Lincolnshire Hospitals Trust/ Gloucester)

- Loss of or reduced access to specialist services as senior nursing practitioners and Modern Matron posts are reduced. (Queen Mary's Sidcup/ North Tees and Hartlepool NHST)

- Loss of access to local specialist services due to site closures and service consolidations. (North Staffs NHS Trust/ Kingston PCT)

- Failure to meet 18 week waiting list targets due to a need for all services to meet cost improvement targets. Pioneer Trusts have already identified extensive waiting times of up to 9 months for some diagnostic and specialist services and concerns are expressed that cost improvement plans will make it impossible for Trusts to meet 18 week waiting time targets until 2009/10. (HSJ 5th April 2006)

- Increased travel and reduced access where services have reduced from 7 day to 5 day services including medical and minor injury services. (East Lancashire/ Royal Cornwall NHS Trust/ Gloucs Partnership Trust)

- Loss of potential benefits of nurse led initiatives. (Cheltenham General Hospital)

- Loss of rehabilitation and healthcare services with the extension of closure programmes for Community Hospitals in rural communities. (Wiltshire/ Gloucester/ North Yorkshire/ Yorkshire Wolds and Coast PCT)

- Loss of mental health in-patient and day care services putting increased pressure upon carers and patients and the potential for the establishment of large institutions through the consolidation of services and rationalisation of in-patient sites. (East Lancashire/ Gloucestershire SHA)