



Royal College of Nursing
Shaping nursing since 1916

RCN Submission to the Public Accounts Committee Inquiry on the Financial Sustainability of the NHS

Key summary

- Our health and social care services are at a critical juncture. The report by the National Audit Office (NAO)¹ outlines how demand for services is at unprecedented levels, and at the same time the health and social care system is being asked to do more with less due to the Government's drive towards making huge efficiency savings across the system.
- We echo the concerns highlighted in the NAO's report, and particularly the importance of delivering a long-term and sustainable funding settlement for the NHS. However we would extend this to the wider health and social care system, as they are inextricably linked.
- Moreover, we believe there is a building concern amongst the health and social care professionals about the capacity, and especially the funding, of the health and social care system to deliver against patients and the public's expectation about what the system can deliver. Exploring what our health and care system should provide and should do in the coming decades will necessitate an open and honest discourse, between the political establishment and the public about what they want and are willing to pay for the NHS to provide. This will also require discussion of citizens' rights and responsibilities.
- For the health and social care system to be sustainable, significant decisions and changes must be made. Failure to fund both health and social care effectively, or address people's needs through design and delivery of integrated services, will negatively impact on both funding and outcomes. These two aspects of care and support are fundamentally connected and interdependent and must sit alongside:
 - The development a long-term nursing workforce strategy to deliver the multi-skilled workforce we need for the future. However, reforms to nursing education has uncoupled the training of staff required from NHS funding and this carries with it considerable risk.
 - Recruiting and retaining nurses through fair pay, terms and conditions. We have called for the government to scrap the 1% public sector pay cap for NHS staff to help address the current nursing workforce shortage.
- While not in the same league as the funding gap, there remain savings and improvements that can be realised through better engagement with NHS staff: through increased and better use of technology; via changes to the way in which the NHS procures and purchases goods; and through an increase in the number of NHS services taking action to address their environmental and climate change impacts.

1. A long term and sustainable funding settlement for health and social care

- 1.1 The Government has made a number of attempts to address the funding crisis in health and most recently, in social care. However, these commitments are in reality only a 'sticking plaster', and risk compromising not only the delivery of services but also the quality of patient care.

¹ National Audit Office, Financial sustainability of the NHS, November 2016

- 1.2 We believe there must be a re-set in how we plan, fund and deliver health and social care. The fundamental interdependencies between health care, social care, and preventative or 'public' health are well understood, and we are clear that continuing to see the funding, design and delivery of these systems in isolation is unhelpful in trying to address the sustainability of the NHS, and in addressing the needs of the population as a whole.
- 1.3 There is now a well-accepted requirement for health and social care support to make a fundamental shift towards more preventative action, and also to provide support which enables individuals, where appropriate, to live independently for as long as possible. What is currently known as 'public health' activity, such as that provided by school nurses and health visitors and district nurses, is a core part of this.
- 1.4 We believe that there is a need to consider, in the round, what population needs are; what the current funding gap is with regards to known evidence-based interventions in health (equally valuing people's physical and mental health), social care and public health; and what the impact of this funding gap is in terms of efficiency, productivity, inequalities and outcomes. This must be accompanied by a broader discussion with the public and the political establishment about citizens' rights, responsibilities, and expectations of the health and social care offer in the future, and of how it should be funded.
- 1.5 Although the creation of NHS 'Sustainability and Transformation Plans' has been heralded by the NHS and the Government as the mechanism to deliver such thinking, their development, and the lack of real staff and public engagement in them, has generated concerns of 'backroom deals' that rest primarily on service reductions and job losses. Following publication of the plans, we believe it is imperative that the next stage of the process involves thorough public and staff/trade union involvement, aligned to frank discussions about what resources are needed and what are available to meet our populations' needs in the immediate and long-term future.

2. Developing a workforce which addresses current gaps and is fit for future need

- 2.1 At this vital time for the health of the population it is essential that we have enough nurses, with the right skills, positioned in the right parts of the health and care system to deliver the high quality patient care our citizens expect.
- 2.2 We have consistently highlighted how cuts to the nursing workforce since 2010 have resulted in the current nursing workforce crisis in England^{2,3}. Furthermore, the NAO report noted that "*the shortage of nurses is expected to continue for the next three years*" citing the removal of the NHS Bursary for nursing students as a significant barrier. Worryingly, early indications report that applications for nursing, midwifery and allied health courses were down by about 20 per cent compared with this stage in 2015, and shortfalls in applications are reported as worse in London and the southeast, among mature candidates and in specialist fields such as learning disability nursing⁴. That means that the 2017 student nurse intake graduating in 2020 is likely, on current trends, to produce fewer nurses.
- 2.3 We are already in the midst of a workforce crisis with not enough nurses being trained domestically and an overreliance on overseas recruitment. This is further exacerbated by Brexit and the uncertainty around the right for EU nurses to remain in the UK. The drop in intake for 2020 graduation combined with a 'Brexit effect' could result in a perfect storm for the nursing workforce. That is why we are calling on the Government to reverse their decision and reinstate student bursaries.
- 2.4 These significant changes sit alongside a raft of other changes to nurse education and training, including a move towards apprenticeships in nursing, and the new Nursing Associate role. Whilst these are distinct and separate programmes they are all pieces of the same jigsaw, with real implications for the development of the future nursing workforce. We have consistently emphasised the importance of nurses having a graduate-level education to gain the knowledge

² Royal College of Nursing, *Connect for Change: an update on learning disabilities services in England*, 2016

³ Royal College of Nursing, *Frontline First: The fragile frontline*, 2015

⁴ The Time, *Nursing degree applications fall by a fifth*, Saturday 17 December 2016. Available [here](#).

and skills required for 21st-century health care. We must also be careful we do not create a two-tier system which reduces equality of opportunity.

- 2.5 We believe the Government could ameliorate some of these impacts, and increase productivity, by providing further investment into the nursing profession, using some of the savings that have been achieved through efficiency measures. These savings could be used to deliver new models of care that are based upon properly funded new models of nursing, models that transcend the traditional borders of acute and community care, and include the independent sector. It is unfortunate that the government has thus far taken a circuitous approach to reform, and introduced elements that do not fit with the nursing profession. A good example of this is the thorny issue of delegated care, with the nursing profession seemingly being told that new services are to be delivered by new people who are trained to deliver delegated care, but without any details regarding who is actually responsible for the delegation. This denies the profession any opportunity to tackle both the training and education requirements of future nurses and the need to re-align the profession so that it is able to deliver better services and improved care outcomes unconstrained by place or sectors.
- 2.6 The urgent requirement to figure out how we might meaningfully build a workforce fit for the future also comes at a time when we are experiencing a substantial reduction in the funding of education and professional development. Yet it is only by equipping those working in health and care environments with professional development, training and support that our existing workforce can help to transform the way we work so that we are also able to creatively envision, strategic, plan and deliver a future workforce in ways that meet the population's health and care needs in a sustainable way.
- 2.7 We have welcomed Government statements about the need to create and bolster clinical leadership, however we must now move beyond the rhetoric. And any work to achieve this objective must include the nursing leadership, who are essential knowledge brokers and innovators in terms of not only leading teams, but also planning, organising and delivering services.
- 2.8 Resolving these issues, and creating a workforce that is fit for the future requires the Government and the nursing profession collaboratively to drive the creation of a comprehensive workforce strategy, one that equips us for a health and care system that is fit for the future, while also alleviating the current pressures in the system.

3. Recruiting and retaining nursing through fair pay, terms and conditions

- 3.1 Nursing staff in the NHS have experienced a real terms drop in median earnings of between 9% and 14% since 2011⁵. In our submission to the NHS Pay Review Body, we called for pay rises for this year and subsequent years to be set at a level above the current 1% public sector pay policy in recognition of the many problems facing the nursing workforce. Whilst a meaningful pay rise will not on its own alleviate the challenges it will provide a strong and welcome signal to the workforce. In addition, the introduction of flexible working arrangements is a welcome step in the right direction which we believe will help to aid retention and recruitment.
- 3.2 Moreover, the NAO report referenced that the NHS Five Year Forward View stated that NHS pay needs to stay broadly in line with private sector pay in order to recruit and retain frontline staff⁶. However the NAO also noted that the Office of Budget Responsibility has estimated that earnings will grow by 3.3% per year on average between 2014-15 and 2020-21. Therefore if the planned pay restraint continues to be applied, NHS pay growth will diverge from the average pay growth of the rest of the economy. This is further complicated by the potential impact of Brexit which unless we increase the domestic supply of nursing we could be in a situation where we do not have enough to cover our needs.
- 3.3 Our *Nursing Counts* campaign has shown that the 1% cap on public sector pay increases has damaged the morale and finances of NHS staff and that more nurses than ever are now

⁵ Royal College of Nursing, Evidence to the NHS Pay Review Body 2017-18, September 2016

⁶ National Audit Office, Financial sustainability of the NHS, November 2016

considering their future in the profession due to severe personal financial difficulties. The Cavell Nurses' Trust, which gives money and support to nursing professionals when they are experiencing financial hardship, has reported a 40% rise in enquiries in 2016⁷. Other research conducted by the charity showed that nurses are twice as likely as the public to suffer financial hardship and deprivation⁸. The Government recognises that staff working in new and creative ways is essential to the long term sustainability of the NHS, for example, working across acute and community boundaries to keep people out of hospital. For staff to give their best and be creative, they need to feel valued. A pay award that feels fair would start to fix retention and stabilise the future supply of nursing staff. Against this backdrop we have called on the Government to scrap the 1% public sector pay cap for NHS staff as a first step to end the recruitment and retention crisis in the NHS.

- 3.4 In addition, the NAO report highlighted the lack of affordable homes for NHS staff as a barrier to recruiting and retaining staff. This was echoed by a survey we conducted of nurses working and living in Greater London. Our survey showed that 40% said that the cost of housing means they expect to leave the capital in the next five years, 76% said housing costs take up bigger share of their income than five years ago and finally, 75% said they would be more likely to stay nursing in London if their housing needs were better met⁹.

4. Embracing advances in medical technologies

- 4.1 There is much that can be done to drive up efficiencies through using technology. Unfortunately the use of innovative technological solutions is too often hampered by the way in which the NHS distributes monies for improvement. There is much that can be done by teaming up those leading technology with clinical professionals to develop and deliver low cost solutions to some of the current inefficiencies.
- 4.2 Another aspect of realising this goal requires more being done to ensure that the future nursing workforce is both 'tech enabled' and 'tech literate'. At the level of the individual this is about enabling practitioners to articulate their professional development needs and support the process of revalidation. At a system level it is about building digital capability. We believe especially important to make progress on capability, as this will enable the NHS (and the wider health and care system) to react to emergent contexts, evolving practices and innovative ways of working. They are inherently predictive and key to building a resilient health and care system.

5. Improving procurement and resource utilisation

- 5.1 The RCN has long supported the involvement of frontline nursing staff in the procurement process. Our 'Small Changes'¹⁰ report (developed in partnership with the Clinical Procurement Specialist Network and NHS Supply Chain) contains a number of evidenced recommendations for how nursing staff can support NHS services to improve their procurement and supply chains, and through those changes save money, while maintaining or improving patient care and outcomes.
- 5.2 This similarly applies to the role that frontline staff can play in supporting the NHS to meet its sustainability targets, as part of the wider need to tackle climate change. A number of the leading example of best practice in this field are nurses, such as Mary Thompson, the Scottish 'Green Nurse', in NHS Fife. Large savings can be made from simple changes to the way services are commissioned or provided, as demonstrated by the work of trusts such as Barts Health NHS Trust, and Barking, Havering and Redbridge University Hospitals, both of which have world-class sustainability programmes.

Royal College of Nursing, December 2016

⁷ Nursing Times, *Nurses' charity reports 60% spike in calls for financial help*, 12 December 2016. Available [here](#).

⁸ Nursing Times, *Nurses' charity reports 60% spike in calls for financial help*, 12 December 2016. Available [here](#).

⁹ Royal College of Nursing, RCN London Housing Survey 2016, April 2016. Available [here](#)

¹⁰ Royal College of Nursing, *Small changes, big differences: Driving Nursing Leadership in procurement*, 2015. Available [here](#).

For more information, please contact:
John Considine, RCN Parliamentary Adviser
020 7647 373
John.Considine@rcn.org.uk