

## Royal College of Nursing priorities for investment

### HM Treasury Fiscal Statement - November 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 Autumn Fiscal statement comes against the backdrop of a cost-of-living crisis, soaring inflation rates and many professional unions (including the RCN) taking industrial action for fair pay and working conditions. The UK's health and care system is in crisis – with record levels of demand and waiting-times, a growing backlog, and upcoming winter pressures likely to be exacerbated as a result of the energy and cost-of-living crises.
- 1.2 Health and care needs amongst the population continue to grow, yet this is not reflected in growth in service provision or workforce capacity. Significant 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 and providing safe and effective care.
- 1.3 The UK Government must do much more to support nursing staff, and the UK population that they serve. When governments invest in the health and care workforce, the capacity of health and care services to provide safe and effective care is expanded. When people are able to access the right health and care support, overall population health will improve – which in turn will fuel economic growth.
- 1.4 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 the unique and highly-skilled contribution of nurses, and the years of underfunding they have experienced whilst remaining committed to their profession – particularly through the COVID-19 pandemic.
- 1.5 Nursing staff are already long overdue a pay rise that recognises their value, skills and expertise. Recently commissioned analysis by London Economics found that the salaries of experienced nurses have declined by 20% in real terms over the last ten years.<sup>i</sup> This means nurses are effectively working unpaid one day a week, and facing extreme financial hardship.<sup>ii</sup>

- 1.6 There must be sufficient dedicated funding for Continuous Professional Development (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 of future service and population-based need.
- 1.7 The current cycle of one-year budgets hinders long-term planning across the UK. 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.
- 2. Nursing pay**
- 2.1 Nursing pay in publicly funded health and care services is the only lever available to government that would have an immediate impact on retention.
- 2.2 Newly qualified nurses usually start at the bottom of band 5 on the Agenda for Change pay scale. This salary of £27,055<sup>iii</sup> is below the average (median) pay for UK employees at around £31,000<sup>iv</sup>.
- 2.3 Many nursing staff are therefore earning less than the average UK salary, meaning they are more vulnerable to high inflation, recession and energy, fuel and cost-of-living increases. Too often, we hear stories of nurses working extra shifts, overtime or second jobs to make ends meet, and using food banks.
- 2.4 Without direct and imminent intervention on nursing pay, nursing staff will continue to leave the profession in order to seek better paying jobs. Nursing staff across the UK have recently voted to take strike action in their fight for a fair pay rise – making clear that they are no longer willing to work for little remuneration.
- 2.5 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 and improve nursing retention.
- 2.6 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.
- 2.7 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.

2.8 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 investment for access to further training, development, and clear career pathways.

2.9 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. Polling undertaken during summer 2022 found that nearly two thirds of the public support nurses taking strike action<sup>v</sup>.

### **3. Nursing workforce recruitment and retention**

3.1 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.

3.2 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 at a record high – currently around 60,000 within the NHS and social care across the UK.<sup>vi</sup> 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.

3.3 The 2021 UK-wide RCN employment survey<sup>vii</sup> - 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.

3.4 These factors suggest there will likely be a continued increase in the numbers of nurses leaving the UK register over the next few years.

3.5 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<sup>viii</sup>. 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.

3.6 Evidence demonstrates how registered nurse staffing levels directly impact the safety and quality of patient care, including decreased patient mortality and reduced

hospital admission.<sup>ix</sup>

#### **4. England nursing supply- investment in nursing higher education**

4.1 There are currently 46,828 registered nurse vacancies in England alone – the highest figure since records began. \* Nursing staff are vital to patient safety, and we cannot afford to lose another single professional.

4.2 In 2017 the UK 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.

4.3 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 the pandemic and the introduction of a living costs grant.<sup>xi</sup> The increase has not proved sustainable – with the numbers of students accepted onto nursing programmes in 2022 falling by 9% since 2021 figures.<sup>xii</sup>

4.4 To stimulate growth in domestic nursing supply in England, the UK Government should fund tuition fees and living costs for all nursing, midwifery and allied health care students. 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.

4.5 To be effective, higher education funding models must be accompanied by a complete package for students including a living-costs grant that reflects the true cost of living and access to hardship payments.

#### **5. International recruitment**

5.1 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.<sup>xiii</sup> Growths in the NMC register can be largely attributed to internationally trained nurses - latest NMC data shows that of 48,436 new joiners to the NMC register, 48 percent had trained overseas.<sup>xiv</sup>

5.2 The RCN has been particularly concerned by the UK Government's increasing over-reliance on international recruitment and increasing evidence of unethical recruitment practices. The RCN's recently commissioned analysis by London Economics found that the additional costs of internationally recruiting a nurse is

approximately £16,900 more than the cost of retaining a nurse – and also 2.4 times the cost of a 5% + RPI pay rise (which was estimated to be £7,100 including on-costs).<sup>xv</sup>

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<sup>i</sup> London Economics (2022) A decade of pay erosion: The destructive effect on UK nursing staff earnings and retention. Available at: <https://londoneconomics.co.uk/wp-content/uploads/2022/10/LE-RCN-Pay-campaigning-comms-FINAL-report-SENT2CLIENT-27-10-2022.pdf>

<sup>ii</sup> London Economics (2022) A decade of pay erosion: The destructive effect on UK nursing staff earnings and retention. Available at: <https://londoneconomics.co.uk/wp-content/uploads/2022/10/LE-RCN-Pay-campaigning-comms-FINAL-report-SENT2CLIENT-27-10-2022.pdf>

<sup>iii</sup> [Pay scales for 2022/23 | NHS Employers](#)

<sup>iv</sup> [Earnings and working hours - Office for National Statistics \(ons.gov.uk\)](#)

<sup>v</sup> [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 \(rcn.org.uk\)](#)

<sup>vi</sup> Northern Ireland health and social care (HSC) workforce vacancies June 2022 (2022) <https://www.health-ni.gov.uk/articles/staff-vacancies>; NHS Scotland Workforce June 2022 (2022) <https://turasdata.nes.nhs.scot/data-and-reports/official-workforce-statistics/all-official-statistics-publications/06-september-2022-workforce/?pageid=7490>; 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 June 2022 (2022) <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey>

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

<sup>viii</sup> NHS Vacancy Statistics – England June 2022 <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---june-2022-experimental-statistics>

<sup>ix</sup> 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.

<sup>x</sup> NHS Digital (2022) NHS Vacancy Statistics England April 2015 – June 2022 Experimental Statistics. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-vacancies-survey/april-2015---june-2022-experimental-statistics>

<sup>xi</sup> [DHSC \(18 December 2019\) Nursing Students to receive £5,000 payment a year](#)

<sup>xii</sup> [UCAS September 2022 Day 28 Clearing Data](#)

<sup>xiii</sup> [The NMC register March 2022](#)

<sup>xiv</sup> [The NMC register March 2022](#)

<sup>xv</sup> London Economics (2022) A decade of pay erosion: The destructive effect on UK nursing staff earnings and retention. Available at: <https://londoneconomics.co.uk/wp-content/uploads/2022/10/LE-RCN-Pay-campaigning-comms-FINAL-report-SENT2CLIENT-27-10-2022.pdf>