

International Recruitment 2015



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Executive summary

Nurses from overseas have always made a valuable contribution to the NHS and care settings in the UK. We also have a history of relying on the migration of nurses from overseas to compensate for the shortfall of nurses at home.

For the first time since the early 2000s it is becoming clear that there is a critical shortage of registered nurses in the UK. But both the UK and global nursing labour markets are changing and our increasing over-reliance on alternative sources is not sustainable.

Health care providers across the UK are continually sounding the alarm over their ability to recruit permanent nurses. As efforts are made to increase productivity in the NHS and bring down the agency bill over the next year, Trusts will be even more reliant on expensive recruitment drives both in and outside of Europe to recruit staff.

The RCN is increasingly worried that changes to the **immigration rules will have a disproportionate impact on the retention and recruitment of nurses** from outside Europe. Nurses will have to meet the £35,000 income threshold to remain in the UK; the salary of a senior nurse. This is a position that the majority of nurses would not reach within six years; the time afforded to nurses recruited from outside Europe under the immigration rules.

In this report we show that **up to 3,365 nurses currently working in the UK may have to leave the country from 2017 as a direct result of the 2012 immigration changes**. If levels of recruitment stay the same, by 2020, 6,620 nurses will be impacted. If the UK were to begin to significantly increase the reliance on nurses from outside Europe to only half of what it was in the early 2000s we could see nearly 30,000 nurses being impacted by the changes.

To recruit nurses from overseas incurs additional costs to the NHS and the independent sector. The RCN estimates that the NHS has spent over £20 million recruiting the 3,365 nurses already working in the UK who may have to return home because they are unlikely to meet the income threshold. If recruitment from outside Europe were to continue, **by 2020 employers may have invested nearly £180 million on recruiting nurses who may have to leave the UK after six years**.

In an increasingly competitive global market we are making it harder for nurses to remain in the UK, as compared to other higher paid professions. At the same time, other countries around the world are looking at opening up their immigration policies to attract and supply more nurses, potentially placing the UK at a disadvantage.

There are strong signs that the global shortage is becoming more severe with regions across the world predicting a shortfall of nurses that runs into the millions by 2020.

We remain concerned about the impact that the UK shortage of nurses is having on both patient care and nurses in both the NHS and independent sector. The solution is in our own hands and **the RCN has consistently called on Government to increase student commissions**. Measures like this must be taken to increase the domestic supply of nurses to match future need and to work towards self-sufficiency. We must finally move away from an over-reliance on nurses from overseas in the face of a worsening global nursing shortage.

The UK nursing labour market

Health care providers, both in the NHS and the independent sector, continue to report the challenges they are experiencing in both recruiting and retaining registered nurses. Struggling to recruit is just one symptom of the current shortage of nurses that exists in the UK.

In April 2015 the RCN highlighted the impact the shortage was having on the NHS in England in our report *Fragile Frontline*. Lord Carter's findings in his June 2015 interim report *Review of Operational Productivity in NHS providers* lead him to assume there may not be enough nurses to meet the post-Francis demand.

In this report we further stress the shortage by focussing on the recruitment, international recruitment and the retention of internationally recruited nurses.

Recruitment

The RCN believes that the most effective way of increasing the supply of registered nurses is to train more nurses by increasing the number of commissioned student places.

As we highlighted in *The Fragile Frontline*, the decision to cut student places from 2010 has directly contributed to the severity of the current shortage. Although the RCN acknowledges steps are being taken to increase student commissions, we believe that workforce planners should further increase student places - not only to fill the current gap but also to address future demand; This is all the more critical in light of the fact that **37,645 students across the UK were turned away from nursing courses in 2014**. It will take at least three years for any significant increase in commissions to be felt by employers.

In the short term, NHS organisations and independent providers are left with only two realistic solutions to boost nursing numbers quickly; firstly, to increase the use of bank and agency nurses or secondly, to recruit internationally.

In our report *Runaway agency spend*, the RCN estimated that the NHS in England would spend nearly £1bn on agency nurses alone in 2014-15; a figure that has turned out to be a conservative projection.

In the last three years, NHS agency spending increased significantly, from £1.8bn to £3.3bn for both nurses and locum doctors. The Department of Health in England has responded with plans to introduce a suite of measures to limit agency spending such as capping rates and total agency nursing spend for Trusts in deficit. As a result, Trusts in England will feel pushed to recruit permanent staff. Inevitably, faced with the current difficulties in finding permanent nursing staff in the UK, Trusts are likely to increase the search for registered nurses overseas.

International recruitment

As shown in Figure 1, the UK has always relied on the valuable contribution made by internationally recruited nurses. Figure 1 shows the total number of people from outside the UK registering with the Nursing and Midwifery Council (NMC).

The last time the UK experienced a significant shortage in registered nurses was in the early 2000s. As a result, the UK's reliance on internationally recruited nurses peaked with the UK recruiting over 16,000 nurses in 2001-2; the vast majority from outside the EEA.

The UK responded by increasing student commissions and the reliance on internationally recruited nurses declined throughout the decade.

Since 2013-14 numbers have begun to increase once again, as a direct result of the cuts to commissions in 2010, highlighting the UK's boom and bust approach to workforce planning.

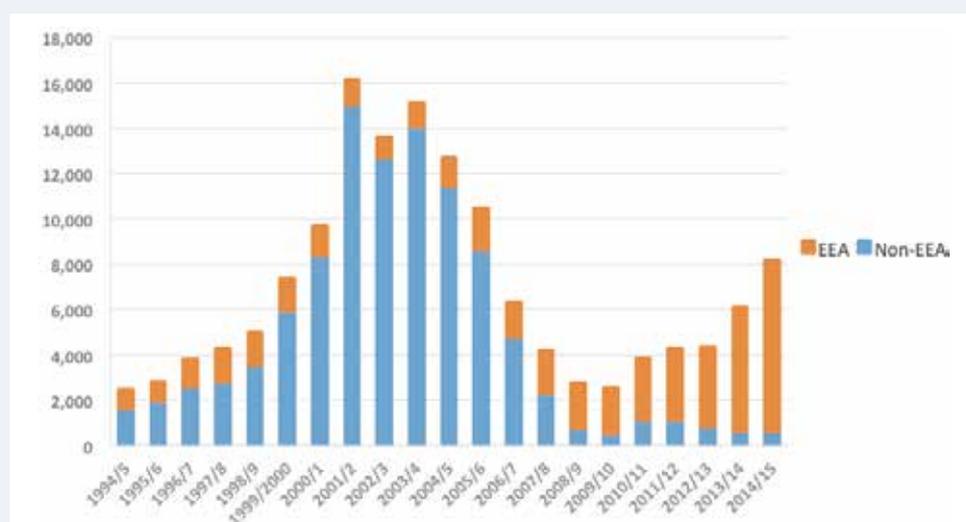
In 2014-15, a total of 8,183 internationally recruited nurses joined the NMC register to work in the UK; 7,518 from within the EEA and 665 from outside the EEA.

Figure 1 shows that since 2010 the majority of internationally recruited nurses have been recruited from within the EEA. For the first time, more nurses trained in Europe saw the UK as a viable option for employment. We believe there is a strong correlation between this and 2007-8's economic crash which has led to the increased movement of nurses within the EEA.

Given the changing international recruitment patterns, the need to address the impact on the UK health sector and health economies in other countries, and the need to ensure fair treatment of those being recruited, the RCN has published its formal position on international recruitment, available at www.rcn.org.uk/publications.

Alongside the policy position on international recruitment we have launched practical guidance on international recruitment to promote best practice and to ensure nurses and employers are aware of their rights and responsibilities. This guidance is for nurses coming to work in the UK, employers and RCN representatives and can be downloaded from www.rcn.org.uk/publications.

Fig 1: Initial registrations on the NMC register broken down by EEA and Non-EEA



Source: NMC freedom of information request, May 2015

Retention

Another important aspect of the nursing shortage is the need to retain the staff currently working in the UK. Measures and incentives must be provided to help retain current staff. However, there are external factors which may hinder the retention of internationally recruited nurses in the UK.

First, we know that nearly all employers currently recruiting nurses from within the EEA are struggling with retention. The Nursing Times recently reported that NHS Trusts in England were losing 28 per cent of their overseas recruits within two years. It is unclear whether these nurses have remained in the NHS, the UK labour market or returned home. What is clear, however, is that the **movement of nurses within the EEA is more fluid than previous UK recruitment drives from outside the EEA**. This may mean that the EEA is not necessarily a reliable and sustainable source of nurses for the UK.

Secondly, the changes to the immigration rules in 2012 will impact on the retention of nurses already working in the UK but will also impact on the future recruitment of nurses from outside the EEA.

As of 6 April 2012, the immigration rules were amended by the Statement of Changes HC188 on 15 March 2012. These changes state that any nurse who entered the UK after 6 April 2011 on a tier 2 visa will need to earn £35,000 to apply for indefinite leave to remain¹. **Under the new rules a nurse may only remain in the UK for a maximum of 6 years if the high income threshold is not satisfied.**

After this time the nurse will need to leave the UK, as further leave cannot be obtained on the basis of employment. This income threshold does not apply to applicants who fall within the Shortage Occupation List.

To earn £35,000 a year a nurse would have to be in the middle-upper band 7 on the Agenda for Change pay scale. The vast majority of nurses who are being recruited by NHS providers, the independent sector and agencies are band 5 nurses. It is unlikely that a band five nurse will be in a position to earn this higher level salary within five years when they would need to apply for indefinite leave to remain. This was recognised in the Impact Assessment conducted by the Home Office, *Impact Assessment: Changes to Tier 2 settlement rules*, 1 January 2012.

Significantly, the monthly cap for certificates of sponsorship has been met for the first time in

June 2015; the annual limit is 20,700. This has implications in stopping or slowing down the recruitment of nurses from outside the EEA.

Impact of the immigration changes

NMC data shows the number of people who joined the NMC register every year and whether they were trained in or outside the UK and in or outside the EEA.

From April 2011 to March 2015 3,365 nurses registered to work in the UK from outside the EEA. The majority of these nurses will not reach the £35,000 threshold to be eligible to apply for indefinite leave to remain, nor is there any other working visa that would allow them to remain working in the UK.

Therefore, **up to 3,365 nurses currently working in the UK may have to leave as a direct result of the 2012 immigration changes**. This number refers to nurses currently on the NMC register. This number is conservative as there are nurses from outside the EEA from last year who will still be in the process of joining the register.

Even if 10 per cent of these nurses were to progress to a mid-upper band 7 nurse salary 3,029 nurses would still potentially need to leave the UK.

At a time when employers are being made to find efficiency savings, trips overseas to recruit are costly. There is currently a large variation in the cost of recruiting internationally. Anecdotally, we know that under current recruitment practices in the NHS the cost of recruiting a single nurse can range from £2,000 to as much as £12,000.

Recruitment from outside the EEA is also likely to cost more than recruiting from within the EEA. These costs include all aspects of the HR process, from sourcing the nurse to when they start work. It is also reasonable to assume that independent sector providers incur similar additional costs when recruiting internationally.

Based on an average of £6,000 per nurse, **to recruit the 3,365 nurses already working in the UK who may be impacted by the changes would have cost the NHS approximately £20,190,000.**

Steps to improve the procurement process of overseas nurses may help to reduce some of the costs incurred by employers. However, it should be acknowledged that the NHS is spending resources on the recruitment of nurses who are very likely

¹ A tier 2 visa is initially granted for a period of three years. So long as the nurse is still needed in their position, an extension can be applied for – which may be granted for a maximum of 3 years. Under the previous immigration rules (Rule 245HF), there was no income threshold and a nurse simply needed to be paid the relevant salary for the position.

to have to leave the UK after 6 years. Without a significant increase in the supply of nurses from within the UK it is also likely that the NHS will have to continue spending money on recruiting nurses from outside the EEA to replace those it will begin losing from 2017.

Future impact

Using the NMC data it is also possible to model the impact that the immigration changes will have on those in the UK workforce in 2020.

We have explored two scenarios, both based on the assumption that 90 per cent of nurses recruited from outside the EEA will not meet the income threshold and will be impacted by the immigration rules, and that on average it costs around £6,000 to recruit a nurse.

In the first scenario recruitment from outside the EEA remains at the same level as it was in 2014 until 2020; this would equate to around 600 nurses per year. On this basis:

- **6,620 nurses would be impacted by 2020.**
- **It will cost the NHS £39,717,000 in recruitment.**

In the second scenario recruitment from outside the EEA would increase steadily from now until 2020; this would equate to a rise from 600 nurses to around 8,000. Although recruiting 8,000 nurses per year from outside the EEA would be a significant increase from current levels, this number is actually only half the number of nurses recruited to the UK in 2001-2.

If the demand for internationally recruited nurses increased in this way:

- **29,755 nurses would be impacted by 2020.**
- **It will cost the NHS £178,524,000 in recruitment.**

It is important to recognise the difficulties the labour market will have retaining nurses who have come to work in the UK from outside the EEA. However, this also poses a significant recruitment challenge. If nurses know that it is unlikely they will reach the income threshold then some may be discouraged from coming to work in the UK.

Global shortage

The international context in which the UK recruits overseas nurses has, and will continue to change by 2020. This section gives a brief overview of the challenges which this context is likely to present to the UK in both the recruitment of nurses but also the retention of nurses trained in the UK; highlighting significant changes across emerging and developed nations since the 2000s. These factors show that the UK's reliance on overseas nurses is not a sustainable long term strategy.

Lessons from the 2000s

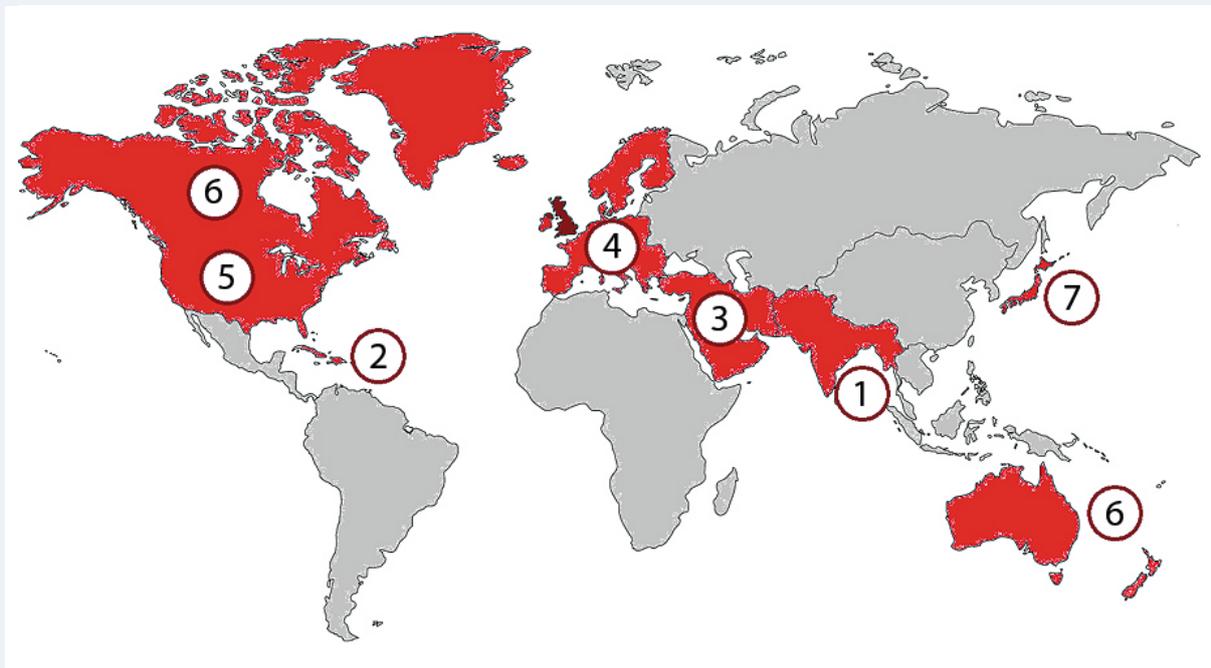
In the early to mid-2000s the UK attracted large numbers of nurses from a variety of countries – particularly members of the Commonwealth. However, **the negative impact of this recruitment drive on health systems which were considered to be fragile (under-resourced and vulnerable to external shocks) resulted in the Department of Health introducing ethical guidance on which countries the NHS should and should not recruit from in the future.** The RCN has long supported this measure and would like to see private providers also subjected to this standard.

Overview of key recruitment trends by 2020

Since the mid-2000s many 'emerging' world regions have undergone significant economic growth, industrialisation and urbanisation – especially the Middle East, South-east Asia, the Indian sub-continent and China. The effect has been an explosion of internal demand for better and more extensive health provision, which in turn has led to a dramatic increase in domestic demand for nurses and other health professionals. Better pay and conditions, as well as training and education opportunities have only strengthened this 'pull factor'.

The map below highlights some of the key regional challenges which future UK recruitment efforts are likely to face. The numbered regions and countries have been matched to descriptive analysis lower down.

International Recruitment 2015



- 1) According to the World Bank, there was a **shortage in India of 2.4 million nurses in 2012 and this trend is only likely to worsen.**
- 2) In the Caribbean, the expectation is that **by 2025 the region will face a shortage of 10,000 nurses** thanks to migration to the US, the Middle East and other emerging regions.
- 3) **Many economically emerging regions, such as the Middle East, are recruiting nurses from the West in order to meet their own shortfalls.** In many cases, the terms and conditions offered to these professionals are much more lucrative, and so, in the future, the UK may have to compete with significantly more (and often well-resourced) competitors.
- 4) In 2012, the European Commission estimated that there would be of **a shortfall of nearly 600,000 nurses in the EU by 2020**ⁱⁱ. Furthermore, while recruitment to the UK from the EU/EEA has been strong in recent years, **a possible upturn in the eurozone economy could potentially see domestic demand for nurses recover** - diminishing the largest and most accessible market for UK NHS Trusts to go to.
- 5) The Department of Health Affairs in the **United States (US) projects a shortfall of 800,000 nurses**ⁱⁱⁱ. If the Affordable Care Act (also known as Obamacare) receives approval from the Supreme Court which is expected to happen in 2015, **some analysts are predicting up to 400,000 new health care jobs could be created every year for a decade in the US.** This would be in addition to the expected shortfall^{iv}.

The influential Institute of Medicine (IOM), a non-partisan think-tank heavily involved in policy formation, has actively encouraged the US Government to bolster international recruitment (especially from the UK, Europe and others) to help fill these posts. This will also be helped by the fact that the United States is simplifying their visa requirement systems in order to encourage inward migration of skilled workers – including nurses^v.

- 6) Traditional destinations for UK nurse migration such as **Australia are also predicting a dramatic increase in their own nurse shortfalls, with up to 109,000 nursing vacancies predicted by 2025** (nearly 27 per cent of the current national workforce). **Canada, another historically strong destination for UK trained nurses, is also expecting a surge in shortage levels** - up to 60,000 in the province of Ontario alone by 2022^{vi}.
- 7) **Japan is also considering more aggressive overseas recruitment drives** after a 2013 survey by the Care Work Foundation found that over 20 percent of nursing care facilities, including intensive-care old people's homes, and entities providing care services received at home reported a shortage of staff. **By 2025 this challenge will have increased and Japan will need to secure an additional 880,000 to 1 million nurses to meet demand.**

In light of these global trends the UK must be mindful that our own recruitment and workforce issues are not unique and UK employers are not operating in a vacuum. In the context of a worsening global shortage, nurses working in the UK are, and will continue to be, viewed as a potential labour source. As some countries move to open up their immigration policies to encourage the inward migration to specifically attract nurses, the fact that the UK is reforming its immigration processes with a view to making it more difficult for nurses to remain in the UK, places it at a significant disadvantage in an increasingly competitive global market.

Conclusion

As UK employers continue to struggle to recruit permanent nurses, we must be mindful that our own recruitment and workforce challenges are being experienced by other countries. We are not operating in isolation.

Since 2010, nursing migration patterns to the UK have changed. For the first time, the vast majority of nurses coming to work in the UK are coming from within the EEA. However, early indications show that the EEA labour market is now far more fluid which means that this labour source may not be reliable and sustainable long term.

Migration from outside the EEA is encountering new barriers. The RCN is increasingly worried that changes to the immigration rules will have a disproportionate impact on the recruitment and retention of nurses. As a direct result of the 2012 immigration changes, up to 3,365 nurses currently working in the UK may have to leave the country from 2017. If we see international recruitment continue to increase, anywhere between 12,000 to 30,000 nurses could potentially be impacted.

The RCN is concerned about the impact these immigration changes will have on individual nurses coming to work in the UK, their employers, the domestic labour market as a whole and the financial investment that will inevitably be lost when nurses have to return home.

Whilst some countries move towards opening up their immigration policy to encourage the inward migration of nursing staff, the fact that the UK is reforming its immigration rules - with a view to making it more difficult for nurses to remain in the UK - places it at a real and significant disadvantage.

Finally, the international context in which the UK operates and recruits nurses has, and will continue to change by 2020. Greater numbers of UK nurses may be attracted to work overseas in the increasingly competitive and fluid global market.

The UK is increasingly at the mercy of the global trends and uncertainties highlighted in this report, over which it has no influence. The UK must urgently regain control by developing a self-sufficient nursing workforce.

ⁱ *Nursing Times Vol 111 No. 7 pages 2-3*

ⁱⁱ *European Commission (2012), Action plan for the EU health workforce, European Commission staff working paper April 2012.*
http://ec.europa.eu/dgs/health_consumer/docs/swd_ap_eu_healthcare_workforce_en.pdf

ⁱⁱⁱ *Spetz J and Given R (2009) The future of the nurse shortage: Will wage increases close the gap? US Department of Health Affairs.*
Available at: <http://content.healthaffairs.org/content/22/6/199.full>

^{iv} <http://www.nursetogether.com/how-will-affordable-care-act-affect-nursing-profession>

^v <http://www.gmanetwork.com/news/story/372308/pinoyabroad/ofwguide/more-foreign-nurses-may-qualify-for-h-1b-visas>

^{vi} <http://careersinnursing.ca/new-grads-and-job-seekers/find-nursing-job/nursing-job-market>

^{vii} <http://www.japantimes.co.jp/opinion/2014/09/28/editorials/nursing-care-worker-shortage/#.VXF-kxtOWUk>

Notes

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excellence in practice and shapes health policies

June 2015

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Publication code 004 000