

Living in the Red:

the cost of living crisis for London's nursing workforce

RCN LONDON REPORT



Acknowledgements

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Executive summary

London offers a range of opportunities for nursing staff: world class universities to learn in, centres of clinical excellence to work in, and a diversity that makes it a rich and interesting place to live.

But nursing staff in the capital are facing major challenges as London remains the most expensive city to live in the UK.¹

A lack of genuinely affordable housing – to rent or buy – and expensive transport, are just two of a number of pressures that are putting the squeeze on nursing staff and other key workers.

In 2016, we took the temperature of our membership in the capital. We wanted to know how nursing staff were managing to get by, and how the availability of affordable and quality housing were affecting their ability to live and stay in London.

We found that London's high cost of living had not left nursing staff untouched. Far from it. Our members reported struggling to make ends meet, struggling to afford travel costs, and a significant number told us that they planned to leave the city because the cost of housing was no longer sustainable for them.

This report gives an update four years on. It demonstrates how the cost of living crisis has worsened for nursing staff, contributing to London's nursing workforce crisis, and continues to compromise the health and care system's ability to provide safe and effective patient care.

The results show that our members are living more precariously, feeling less financially stable, and continuing to battle hard to meet the cost of their travel and accommodation. Some members told us they are borrowing money from family and friends, and others are relying solely on credit cards to pay essential bills.

But most worryingly, the results from our latest survey show that since 2016, the number of nursing staff wanting to leave the capital because of the cost of living has grown significantly.

57% of respondents told us they planned to leave London in five years time, an increase of 17% compared to 2016.² This is at a time when health and care services are desperately trying to attract more nursing staff into London to keep pace with rising patient demand. Currently there are 10,550 vacant nursing posts in the NHS alone in London³, as well as rising vacancies across social care.

In October 2019, the Mayor, alongside health and care leaders in London, published *Our Vision for London*, an aspirational plan to make London the healthiest global city.⁴ The success of the plan is based on the premise that the current gap in the nursing workforce in London will not only close but nursing supply will grow significantly by 2024. A number of commitments have been set out to help achieve this aim, specifically a commitment to review the impact of the cost of living and its impact on nursing staff.

In this report we clearly outline the lived experiences of our members. In addition, we also set out bold solutions to the cost of living crisis that are not only supported by nursing staff in London, but also independent think tanks, charities and grassroot campaigners.⁵

We are clear that the link between the cost of living in London and the ability to safely staff services now and into the future is intrinsic, and that there must be clear commitments from politicians, employers and system leaders to ensure nursing staff can afford to live sustainably and thrive in the capital.

The evidence is clear – higher nurse staffing levels are associated with lower mortality and better patient outcomes.⁶ Swift action must be taken, otherwise London will continue to struggle to retain its valuable and much needed nursing workforce, who are key to providing safe and effective patient care.

The cost of living in London



In five years' time **57%** of respondents said they were either definitely leaving London or would like to leave London.



London's high cost of living and lack of affordable housing is posing a serious threat to the safe staffing of health and care services and undermining the capital's ambition to become the healthiest global city.

London's private rent prices are the highest in the country and are exerting sustained pressure on nursing staff wanting to live and work in the capital. In London, average monthly private rents increased by 35% from £1,095 in 2011 to £1,473 in 2018.⁷

And when it comes to purchasing a house, the pressure is just as acute. Recent analysis by estate agents Savills shows that house price to earnings ratio in London now stands at 18.0, compared with 10.7 across the UK.⁸

But these pressures are of course not limited to the housing market, and apply to the cost of transport too.

The cost of transport in the capital is the highest of any major city in the world with the average person in London spending £141 per month.⁹ Although the Mayor of London committed to freezing pay as you go Oyster and Contactless payments for the duration of his term to 2020, this does not include daily, weekly and monthly Travelcards which have continued to rise year on year under this administration and those that came before.¹⁰

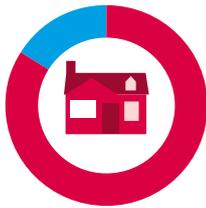
With this survey showing that the majority (65%) of London's nursing workforce use public transport to get to and from work, it is little wonder that the cost of it is an issue that nursing staff desperately want to see addressed.

Our members live in a range of different home situations, but what many have in common is that they face the cost pressures of living in the capital. Nursing staff working in London do receive High Cost Area Supplements but these are simply swallowed up by the high cost of living. As 77% of respondents classified themselves as the 'main wage earner' in their household, it is clear that the nursing workforce are in a much more vulnerable and precarious position than previously thought.

The situation as it stands could barely be starker. The cost of living in the capital now means 57% of London's nursing staff want to, or have decided to, leave the capital. This is an increase of 17% from just four years ago. This is despite employers across London introducing measures and incentives designed to improve retention rates amongst nursing staff.

If action is not taken to make London a better, more affordable place to live for its nursing workforce, it will threaten the city's reputation as the nursing capital of the world and put patient care at greater risk.

79% of nursing staff say accommodation costs are taking up a bigger share of their income compared to five years ago.



For those who have decided to leave London, **84%** gave cost of accommodation...



...and **60%** gave transport as the main factor for leaving.



Just **6%** of respondents were aware of their employers offering assistance with housing.

For those both staying and leaving, accommodation and transport were chosen as the two most challenging aspect of living in the capital

“ *I live in subsidised nursing accommodation. I cannot afford to rent on my own or buy in London despite being a band 8b.*

“ *Cost of living, transport and childcare takes all my salary and I end up with nothing.*

“ *I cannot afford to save any money in London and there is no quality of life whilst this continues.*

“ *Most of my wage pays rent and bill alone. It's impossible to even save or think of affording a mortgage.*

London's missing nursing staff



London's NHS nursing vacancy rate has consistently remained the highest in England with 10,550 posts now unfilled.¹¹ This means, one in six posts in the capital are unfilled compared with one in 10 in the North East.¹² In mental health alone, a record of 2,541 nursing jobs are vacant.¹³

Since June 2017, the vacancy rate in the NHS in London has risen by 8.4%. This translates to 819 more vacant nursing posts.¹⁴ This is set against a backdrop where health and care services across London are experiencing unprecedented demand for services from the public.¹⁵

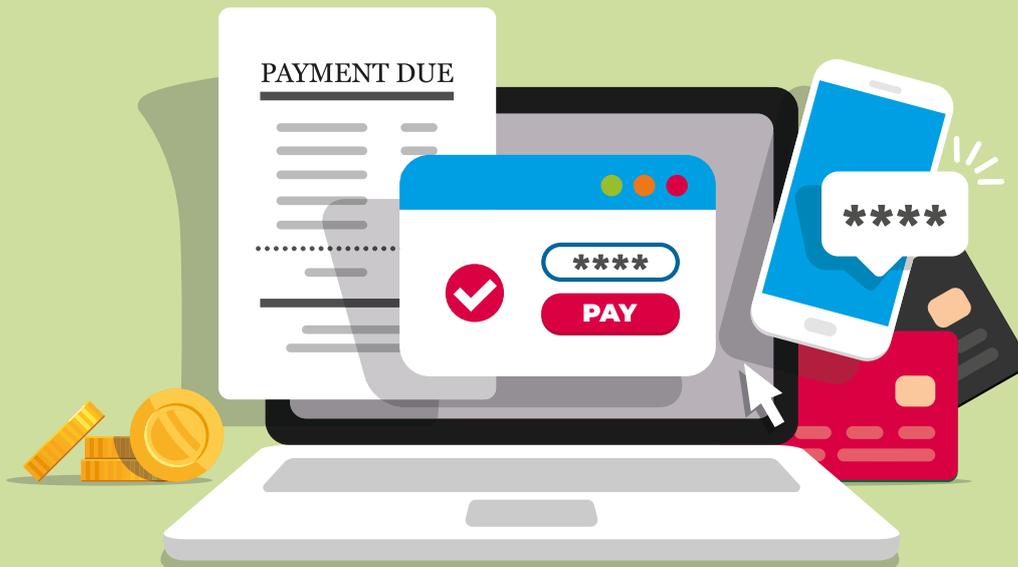
Essential patient care is compromised or left undone when shifts have fewer registered nurses

than planned. There is increasing evidence globally and in the UK that shows higher nurse staffing levels are associated with lower mortality in hospital settings.¹⁶

*Our Vision for London*¹⁷, the blueprint plan for the capital's health economy, sets out an ambitious target to grow London's nursing workforce by more than 8,000 by 2024, and by 2028, reduce the nursing vacancy rate by 5%. To achieve this, politicians and health and care leaders must act now to address the cost of living challenge facing nursing staff in London to not only stem the tide of people leaving the capital but also to grow the nursing workforce we need for the future.

Finances

London's nursing staff feel increasingly financially insecure...
59% of nursing staff told us they felt less financially stable compared to 12 months ago.



“ With 3 children to cater for, the salary does not stretch till the end of the month. No saving for unplanned expenses.

“ I feel guilty having to rely on my mother's pension and borrowing from my 17 year old at times.

“ In the last 8 years I have gone from owning my own home to living in a bedroom with shared facilities. I am in debt and struggling to pay it off.

“ I live in a shared house with my partner, I cannot afford to live alone with my partner, I cannot afford to save a deposit for a house, I cannot afford to have children.

“ My salary is just enough to pay rent, bills, bus fare and buy food for a family of four. I use overdraft and a credit card for unexpected costs.

Wages



77%
are the main wage earner in their household

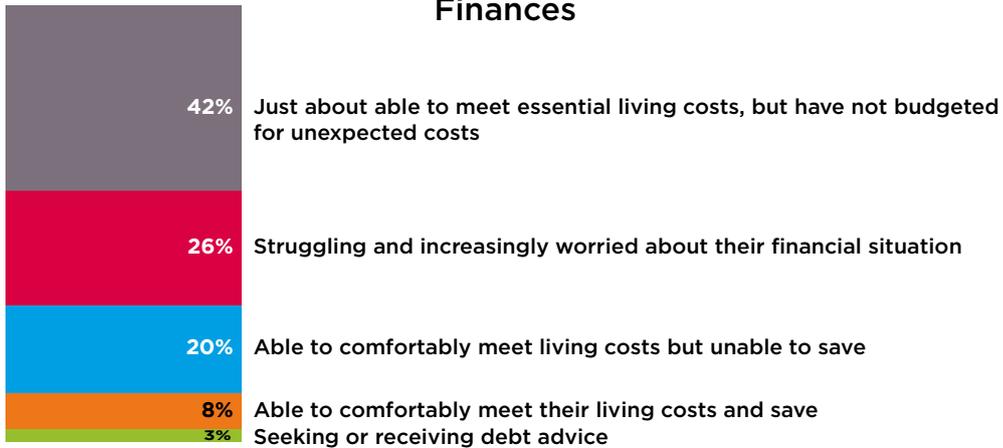


49%
regularly work planned additional hours for extra payment



21%
class themselves as lone parents

Finances



In the last 12 months:

50% of London's nursing staff used credit to pay essential living costs

38% had to borrow money from family and friends

31% managed their finances without difficulty

27% of nurses have missed credit card or loan payments

22% of nurses missed essential payments on items such as council tax and utility bills

12% fell into arrears with rent or mortgage payments



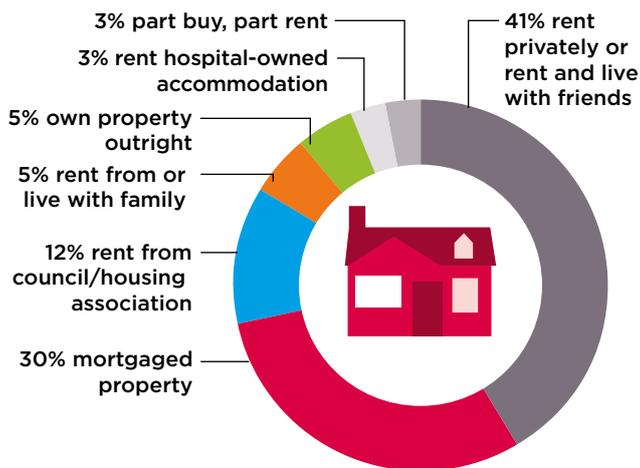
Transport and accommodation

28% of London's staff work in more than one area



70% of London's nursing staff do not live and work in the same area

Where nursing staff live



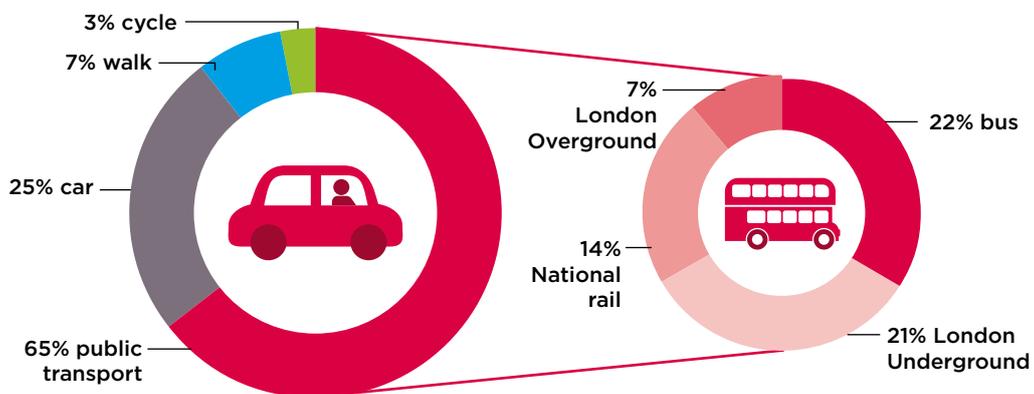
How much on average do you spend per week on travel to and from work?

57% of London's nursing staff spend up to £40 per week on travel

29% spend up to £80 per week



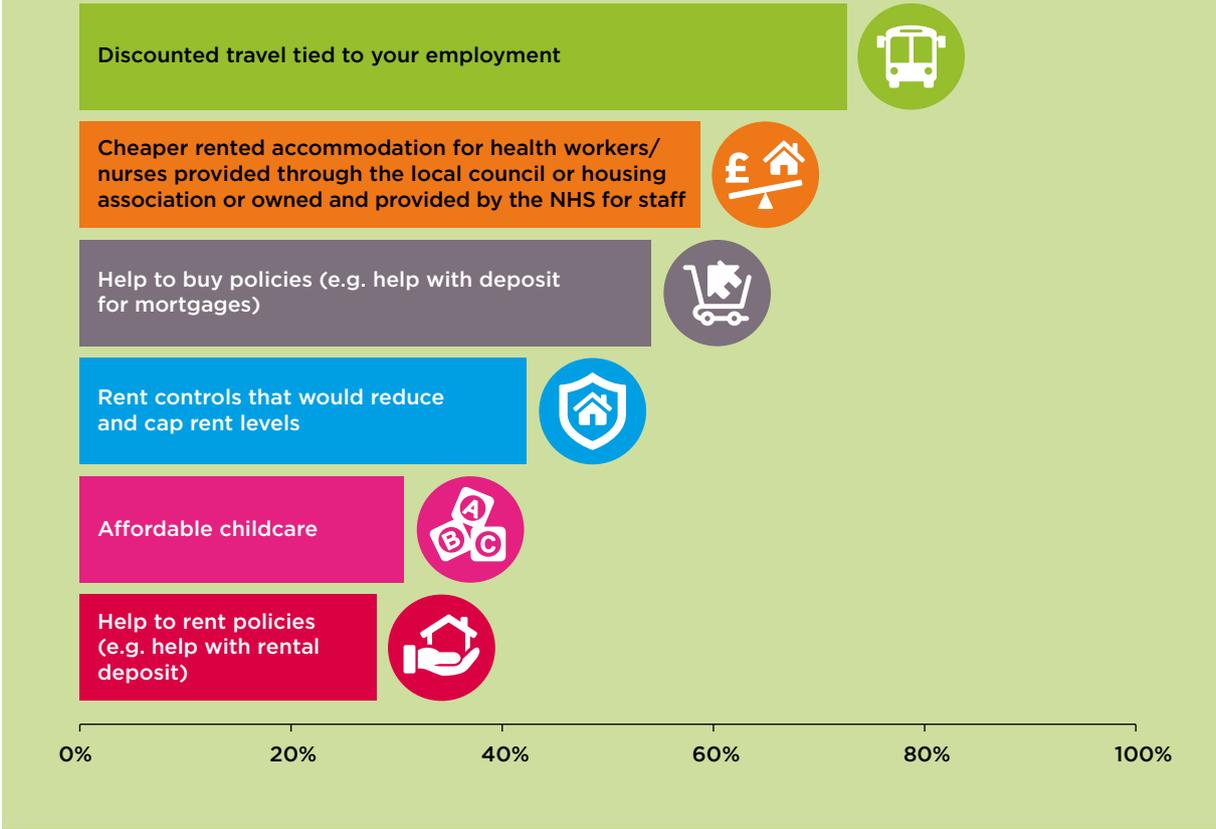
How nursing staff get to work



Percentages have been rounded to the nearest whole number

What nursing staff want

When nursing staff were asked what policies would help them stay in London, they said:



Delivering the change that London's nursing workforce need

Recommendation 1 - Free travel for nursing staff

RCN London wants to see steps taken to review the most effective means of providing free travel for nursing staff that can support them to live and work in the capital and provide an incentive for employers to recruit and retain staff.

Public transport is one of the capital's most impressive features and RCN London's latest survey shows that 65% of nursing staff use it to get to and from work with 51% of that being made up by a form of transport provided by Transport for London (TfL).

The survey also demonstrated the extent to which nursing staff rely on it with 70% saying that they do not live and work in the same area.

Despite the popularity of public transport in London, it remains the case that its cost is placing an unnecessarily heavy burden on nursing staff.

Cost of transport was second only to the cost of accommodation as the most challenging aspect of living in London with 'discounted travel tied to employment' (73%) the most popular policy solution to help nursing staff stay in the capital.

However, up to now, there have been no specific measures introduced to mitigate the cost of travel for nursing staff, either by the Mayor of London's office, TfL, or other transport providers.

This contradicts what is provided to other sectors, such as those in the police force, who receive free travel, on all TfL modes of transport. Registered Nurses, despite having a specific duty in their Nursing and Midwifery Council (NMC) *The Code: Professional standards of practice and behaviour for nurses, midwives and nursing associates*¹⁸ to intervene should a passenger become unwell, have yet to be afforded the same privilege.

Recommendation 2 - Rent controls

RCN London is calling for the commitment made by the Mayor, NHS England London Region, Public Health England London Region and London Councils to review the cost of living for the capital's nursing workforce as a matter of urgency. A clear timeline for action must be published within two months. The review should include a clear exploration of how devolving powers to the Mayor of London's office to control rents in the private rented sector can support nursing staff, and key workers, to live in the capital.

The majority of the nursing workforce in London rent privately but rent prices in London dwarf those in most other parts of the country. In fact, across all regions, London has the highest rent to income ratio and is now the most expensive rental market in Europe. This is clearly not conducive to recruiting and retaining nursing staff, professionals who are amongst the lowest paid.

Compared with other parts of the country, in London a greater proportion of people rent their accommodation, yet this issue has never been grasped by policy makers, allowing rent prices since 2010 to rise more than three times as fast as average earnings.¹⁹ In 2015/16 around a quarter of privately renting households in the capital spent over half of their income on rent despite a third being considered 'affordable'.²⁰ The median rent in London is currently £1,495 compared with the lowest median rent of £495 in the North East of the country.²¹

These pressures, as demonstrated in the results of the survey, are not only causing hardship for London's nursing staff, but are also posing a direct threat to recruiting and retaining them into the future. This will undermine the health and care system's ability to provide the care patients need and deserve.

The widespread support for controls on private rents from bodies such as Shelter²², London Renters Union²³, and the New Economics Foundation²⁴, and now RCN London, must not be overlooked.

Recommendation 3 - NHS estate

RCN London is calling for an alternative to the sell-off of NHS land to be found and is demanding that the review into the cost of living for the nursing workforce in London consider the business case for NHS trusts retaining surplus land, for which there is no future clinical use, and developing it for affordable homes for which rental receipts – and the land asset – will be kept in perpetuity.

Since the publication of Sir Robert Naylor's review into the use of the NHS estate in England in 2017²⁵, the sale of surplus NHS land has accelerated.

In London, between 2015/16 and 2018/19, the number of plots sold increased from 9 to 53. Today, in 2019/20 there are a total of 99 sites that are either up for sale, or confirmed sold. For those disposed of, it is calculated that £598 million has been generated in sale receipts.²⁶

Our survey clearly shows that nursing staff want affordable housing, with 59% saying this might help them remain in London. Surplus NHS land must be used to build the affordable housing needed.

However, where homes have been built on plots sold in the capital, the average sale price is almost ten times the average annual salary of a nurse. And just 5% of the homes built on land sold will be for genuinely affordable social rent with 30% of sites having no plans for affordable housing at all.²⁷ The New Economics Foundation reports that it would take a nurse on an average salary 100 years to save up for a deposit on one of these homes.²⁸

Whilst bringing in revenue in the short term, RCN London believes that these sales are a missed opportunity and have not represented value for money for the taxpayer, the NHS in London or nursing staff and other key workers who desperately need genuinely affordable homes.

Modelling by RCN London shows that if the 99 sites currently sold and up for sale in 2019, and the 70 sites sold since 2015, were developed for housing at a medium density of 40 units/hectare, 7,852 homes could have been built. With rents based on a third of the average salary of a nurse, this would bring in £81,528,258.24 per year and £407,641,291.2 in five years. As well as receiving rent revenues in perpetuity, this model would also ensure that valuable land assets are retained by Trusts.²⁹

Methodology

RCN London sent an electronic survey via email to 44,341 members.

The survey was open from 15 August – 15 September 2019 and was completed by 1,405 RCN London members.

After calculations, the percentages in the survey have been rounded up or down to the nearest whole number.

If people skipped the question, they were not included in the data.

For further details about the survey and the methodology, please contact london.region@rcn.org.uk

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- 29 In 2019, there were 99 London Commissioning Region NHS Trust sites that were confirmed sold or up for sale, covering 141 hectares.
- Between the years 2015 – 2018, the number of sites that were sold were:
- 38 sites sold in 2017-18 (28.4 hectares)
 - 23 sites sold in 16-17 (17.4 hectares)
 - 9 sites sold in 15-16 (9.5 hectares)
- In total, this means 196.3 hectares have been sold, or been placed up for sale since 2015.
- We calculated how many homes could be built on 196.3 hectares, based on a medium density of 40 homes per hectare. Under this model 196.3 hectares would produce 7,852 homes.
- To calculate how much rent revenue this would generate, we took a third of the average salary of a nurse in London (£31,464, inc. High Cost Area Supplement), and multiplied it by the number of homes, 7,852.
- Based on this calculation, this model would generate in revenue:
- £81,528,258.24 per year
 - £407,641,291.2 in five years

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excellence in practice and shapes health policies

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