Does NHS workforce planning have to be this way?

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NHS Providers HR Directors Network, 14 April 2016
Outline

• Context: staffing increases and the deficit position

• Our *Workforce* report

• Further help: preview of forthcoming attractions
Staffing increases have driven the deficit

- Given weak growth in pay and activity, the main driver of the cost pressure is **rising staff volumes**.
- Since April 2013, an additional 63k permanent employed: estimated annual cost of **c£1.8bn**.
- Added to this is an extra **c£1.5bn** spend on agency since April-13.
- The combined impact of these goes a long way to explaining the cause of the system deficit.

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**Permanent Staff: FTE volumes**

Between Apr-13 and Nov-15, an extra 63k FTEs were employed by trusts.

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**Agency Staff: Expenditure**

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Our Workforce report

Why we undertook the project

• Workforce is key to financial sustainability
• Providers are facing difficulties in recruiting the doctors and nurses they need to deliver services
• This is causing increased vacancies and use of temporary staff, including supply from agencies, contributing to deteriorating provider finances

Our aims were to support the sector by:

1. Analysing what was driving current clinical staff shortages
   • Different issues facing wide sections of the NHS workforce
   • We focused on adult nurses and consultants in acute hospitals

2. Providing evidence to inform decisions about the sector at a national level.
   • Workforce issues are not new, but we wanted to bring together facts and evidence to support decision making

3. Developing actions we will take to support providers facing workforce shortages.
Content

• What’s been driving the shortages?

• What have responses been to the shortages?
Nursing demand has risen rapidly...

Demand for nurses increased significantly and rapidly

- Large increase in demand for hospital nurses across the NHS since 2012 (Figure 1)
- Evidence that this was not predicted (Figure 2)
  - In 2014 trusts reported needing 189,000 adult nurses
  - Two years earlier, they had reported needing only 165,000

**Figure 1: Qualified adult nurses employed in the NHS**

**Figure 2: Numbers employed and forecast demand for adult nurses (FTE) working in the acute sector**

Source: HSCIC

Source: HEE

Jump of 24,000 required nurses
…and is outstripping supply

Supply has been slow to respond

• 95% decline in non-EEA nurse recruitment
  – 15,000 in early 2000s to just 665 in 2014/15.

• Falling numbers of nurse training places
  – Shrank 12.7% between 2010/11 and 2012/13

• Limited numbers of returning nurses
  – ~1,300 nurses in HEE’s recent RTP scheme
As well as activity, safe staffing has increased demand for nurses.
Content

• What’s been driving the shortages?
• What have responses been to the shortages?
Increasing agency spend

Providers spent £3.3bn on temporary staff in 2014/2015

All agency staff accounted for 7% of total staff bills in 2014/2015 up from 3.4% in 2011/2012

Spend on nursing agency staff (for a sample of FTs) grew by 150% between 2011/12 and 2014/2015
But it could have been worse

Without the reduction in average length of stay

Getting the same nurse-to-patient bed day ratio would have meant an extra 5,000 nurses

At a cost of about £250 million (at agency rates)
## Actions to redress supply/demand imbalance

<table>
<thead>
<tr>
<th>National actions to increase supply</th>
<th>System planning</th>
<th>Utilisation and productivity</th>
<th>Agency costs</th>
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<tbody>
<tr>
<td>International recruitment (nurses added to the Shortage Occupation List)</td>
<td>Co-ordination of workforce plans and forecasts (With HEE, improved coordination across central planning process)</td>
<td>NHSI materials for providers (e.g. case studies and tools for boards on workforce planning)</td>
<td>Agency price controls (Capping spend and rates and mandating frameworks. Plus Agency Intensive Support Team)</td>
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<td>Training liberalisation (Government announce student loans to replace nursing bursaries)</td>
<td>Better assessment of the impact of policies (e.g. assessing impact of new NQB staffing guidance)</td>
<td>Improving productivity (e.g. Carter work)</td>
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<td>Agency market (monitoring impact of agency policies)</td>
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Impact

Extensive coverage

Contributed to the debate

“...the National Audit Office and NHS Improvement (Monitor/NHS TDA of old) both recently produced must-read reports on the supply of clinical staffing.”

HSJ

Supported NAO report/PAC hearing

Influenced decision making

Partial review of the Shortage Occupation List

Migration Advisory Committee
March 2016
Objectives:
- Show how the efficiency ask s achievable in evidenced, practical steps.
- Bridge the gap between Carter and the planning process, helping providers select which steps to focus on.

Scope:
- All trusts – MH, community, acute, ambulance.
- Savings on 2020/21 costs, both cash and longer-term value releasing.

Toolkit:
1. **Summary**: setting out context, list of savings, summary of findings, key barriers and NHSI response.
2. **Evidence packs**: linked to summary, giving details on savings actions, sizing, barriers, case studies and contacts for further information.
3. **Ready reckoner**: a high-level tool for trusts to interpret savings locally.

Timeline:
- Publication end-April (conditional on purdah)

Patient journey:
- Savings against a baseline forecast of 2020/21 spend (2% activity pa, Planning Assumption prices and wages).
- Some savings more directly relevant to non-acutes.
Thank you

Any questions?