

Written evidence submitted by the Royal College of Nursing (RCN), relating to the funding and delivery of public services in Northern Ireland inquiry (FPC0024)

Introduction

- 1 The Royal College of Nursing [RCN] in Northern Ireland is pleased to submit written evidence to the House of Commons Northern Ireland Affairs Committee in line with its call for evidence on the funding and delivery of public services in Northern Ireland. This submission has been structured to address the broad themes outlined in the call for evidence but focuses in particular upon the impact of the lack of a functioning Executive on budgetary management and strategic decision-making within the health and social care system in Northern Ireland. We also consider the financial situation facing health and social care services and the consequences of budgetary pressures upon the delivery of those services.

Budgetary management and strategic decision-making

- 2 For many years, the RCN has been providing written and oral evidence to a wide range of authorities on the inadequacy of the funding of health and social care services in Northern Ireland and its consequences for patient care. Even before the Covid-19 pandemic, the pre-existing health and social care system in Northern Ireland was widely perceived to be financially unsustainable. The New Decade, New Approach agreement in January 2020 supposedly heralded a renewed commitment on the part of the UK government to secure and sustainable funding that would facilitate cutting waiting lists, delivering service transformation, prioritising mental health, and ensuring fair pay and safe staffing levels. The restoration of the Northern Ireland Executive and Assembly that same month led, in turn, to the re-establishment of Agenda for Change pay parity with England and Wales, as well as moves, which were endorsed by the RCN, to create a safe staffing framework, of which implementation has been piecemeal and incomplete. However, the underlying funding issues have never satisfactorily been addressed.
- 3 On 11 February 2020, Northern Ireland Executive Minister for Health Robin Swann MLA elaborated upon and amplified these concerns. He said: “There are ... deep-seated problems across the health and social care system that will take years to put right. This will require

major investment on a sustained basis - along with transformation reforms.” The (now former) Minister’s views reflect broader concerns - which are shared by the RCN - that the inadequacy of funding for health and social care and the continuing failure to deliver the multi-year budgets promised in New Decade, New Approach has stifled progress with health and social care transformation and curtailed the type of long-term approach that is required to build a health and social care workforce capable of meeting the needs of the people of Northern Ireland. It is unconscionable that there is still no HSC workforce plan, based on an assessment of population health needs and an analysis of how many of what types of health and social care staff are required over the next decade to address those needs. Short-term funding inevitably leads to reactive short-term thinking, crisis management and makeshift solutions.

- 4 It also leads to a penny-wise and pounds foolish approach to public expenditure, as evidenced by the escalation in agency staffing expenditure in recent years as a response to the growing number of unfilled vacancies within the HSC. As at 31 December 2022 (the latest available figures), the total number of registered nursing vacancies across the HSC was recorded at 2,086 and the total number of nursing support worker vacancies stood at 628, making a total of 2,714. The combined registered nursing and midwifery vacancy rate stood at 10.4% and the combined nursing and midwifery support worker vacancy rate was recorded as 10.9%. These figures only comprise vacancies that are being “actively recruited to” (in the Department of Health’s own parlance) and therefore do not tell the full story in terms of the extent of the yawning gaps within the HSC nursing workforce.
- 5 The costs of deploying agency staff in an attempt to plug some of these gaps have now escalated to the point of being not simply unsustainable but, arguably, a misuse of public monies. In 2012-2013, the HSC spent approximately £69 million on agency staff. By 2021-2022 this had increased to £320 million. Data from HSC trusts suggests that, on average, the hourly cost to the HSC for a band five agency nurse is approximately double the hourly cost of an HSC-employed nurse. That is a wholly unsustainable and unfair position. It also has a negative impact on the cohesion of nursing teams and therefore on the delivery of safe and effective care. Between 2018-2019 and 2021-2022, expenditure on off-contract agency nursing staffing rose from £27 million to £101 million. In 2021-2022, off-contract agency staff accounted for almost three-quarters (72.5%) of all nursing agency staff expenditure. Measures are in hand to mitigate this through a Department of Health agency reduction group but the supply of agency staff cannot be turned off until such time as a stable nursing workforce is in place.

Without sustainable funding and a coherent needs-based workforce plan, this is simply not possible, however.

- 6 The Northern Ireland Executive has a clear responsibility to ensure that health and social care services are appropriately funded and managed in an accountable and strategic manner. It can only do this, however, if the funding that it receives in the first place is adequate to meet the demands placed upon it as well as the needs and expectations of the people of Northern Ireland. Experience over the last three years since the New Decade, New Approach agreement indicates once again the impact of inadequate funding on the sustainability of the devolved institutions in Northern Ireland. If lessons are to be learned from the experience of the last three years, and perhaps especially from the crisis that is currently faced, the need to fund appropriately the delivery of public services must surely be paramount.
- 7 Once again, and just as in December 2019, RCN members in Northern Ireland are currently engaged in a formal industrial dispute in relation to pay within the context of a political vacuum in Northern Ireland. This, in turn, raises the question of whether the UK government, Northern Ireland politicians and the Northern Ireland Department of Health have appropriately learnt from the experience of the strike action taken by nursing staff in Northern Ireland during December 2019 and January 2020. At the point of submitting this evidence, there is no working budget for Northern Ireland departments and, despite a brief meeting recently between the Secretary of State for Northern Ireland and the health trade unions, no indication of whether any enhanced pay award for 2022-2023 and/or an annual uplift for 2023-2024 will be put on the table. It gives the RCN no pleasure to point out that it is this type of approach, replicated over many years, that has once again brought nursing staff in Northern Ireland to the point where they believe that there is no alternative to taking strike action in order to address profound and escalating concerns in relation to pay and, more importantly for many nurses, safe staffing.
- 8 In Northern Ireland, as elsewhere across the UK, nursing workforce shortages in all areas of practice significantly impact upon patient outcomes and staff productivity. It has been widely documented in recent months that the health and social care system in Northern Ireland has moved from deep crisis to the brink of collapse - or possibly beyond that point. The key underlying reason for this is that we simply do not have sufficient staff to deliver safe and

effective patient care within the context of health and social care services that have been relentlessly over-stretched after years of under-funding and political inertia. The current focus, therefore, must be on retaining enough nursing staff to keep services running and developing a robust supply of nurses to sustain the workforce thereafter. We need to tackle the workforce crisis and make sure that nursing is an attractive, well-paid and meaningfully-supported profession. A fair pay award is essential to creating a workforce that is equipped to meet the needs of the people of Northern Ireland.

- 9 As the RCN has consistently pointed out over the last decade, the factors creating the current nurse staffing crisis in Northern Ireland have been many years in the making and will, equally, take many years to resolve. The evidence to illustrate the continuing and escalating impact of the staffing crisis within the HSC nursing workforce is significant. As a starting point, the annual Department of Health workforce census demonstrates that nursing and midwifery staff experienced amongst the lowest rates of growth of all HSC workforce groups between 2013 and 2022, at just 18.4%. This compares unfavourably, for example, with 40.6% for the professional and technical group, 25.0% for ambulance staff, 23.5% for social services staff and 24.1% for medical and dental staff. Moreover, this inadequate overall growth obscures a stagnation and even a decrease within some areas of practice. Between March 2011 and March 2022 and measured by whole time equivalent, for example, the mental health nursing workforce grew by just 1.0%, whilst the learning disability nursing workforce actually contracted by 30%.
- 10 It must be remembered that the Department of Health has routinely estimated for many years that overall demand for health and social care services increases by at least 5% - 6% each year. Indeed, the Northern Ireland Executive Department of Finance, in its abortive 2022-2025 draft Budget consultation paper, stated: "The cost of providing the services DOH delivers is increasing, with estimates suggesting some 6.5% annually. This is due to an increasing ageing population with greater and more complex needs, increasing costs for goods/services, and growing expertise and innovation which means an increased range of services, supporting improvement in our population health. All of these bring increases in the funding required each year to maintain services and meet demand." It is, therefore, easy to identify from where the mismatch between supply and demand derives in relation to the Northern Ireland nursing workforce. Deficits within nursing workforce planning in Northern Ireland have been identified and analysed in two major reports published in recent years; the report of the Department of Health Nursing and Midwifery Task Group (2020), and *Workforce planning for nursing and midwifery*, which was published the same year by the Northern Ireland Audit Office [NIAO].

The RCN has recommended both of these reports to the Committee in a previous submission and we reiterate this recommendation now.

Financial pressures and their impact upon the health and social care system

- 11 As the Committee will be aware, the Northern Ireland Fiscal Council recently published further evidence of the calamitous financial position that is confronting public services. The NIO's 2022-23 budget for Northern Ireland: an assessment summarises key developments since the (former) Northern Ireland Executive ministers stepped down from their 'caretaker' roles at the end of October 2022. The report notes that the Secretary of State thereby inherited a projected overspend against available funding of £650 million for 2022-2023, a deficit that was subsequently significantly reduced but not fully eliminated, supported instead by a £297 million claim on the Treasury Reserve, effectively an advance or loan set against the 2023-2024 budget that will have to be repaid from the block grant.
- 12 One of the received wisdoms of Northern Ireland Executive funding is that government here is somehow significantly less efficient than elsewhere across the UK. Whilst there is some evidence to support this assessment, it by no means tells the whole story. The Northern Ireland Fiscal Council report points out that the growth in the Department of Health budget between 2019-2020 and 2022-2023 was 9.9%, an increase considerably smaller in percentage terms than that of a number of other Executive departments, principally agriculture (145.7%) and the Executive Office (88.6%). More pertinently, perhaps, the equivalent percentage increase over the same period for the Department of Health and Social Care in England was 16.8%, almost double that of the Northern Ireland department.
- 13 Looking ahead to 2023-2024, the report comments: "The block grant and planned spending will be significantly lower again next year than this year in real terms. In the absence of caretaker ministers - let alone a functioning Executive - departments and ALBs are having to plan service delivery and reform without political leadership or even a draft budget to work from. What is more, some of the one-off savings used to reduce overspending this year will not be available next year. Barring a political breakthrough, the NIO is likely to have to set the budget and it may not do so until the new fiscal year is already under way." The report continues: "In order to discourage overspending, it is clear why the Treasury demands that any budget overruns in one year should be clawed back in the next. But once that overspend has happened, setting a budget to deliver a sharp real-terms cuts in one year followed by an increase in the next makes little sense from the perspective of efficient workforce or service

delivery planning. To set a balanced budget in which departmental spending could be held constant in real terms, the NIO would need to close a gap between funding and spending of £808 million next year and £558 million in 2024-2025, presumably through some combination of additional revenue raising and further flexibility from the Treasury in smoothing the funding profile.” The RCN entirely endorses this analysis.

- 14 The Northern Ireland Fiscal Council then outlines a number of potential proposed measures to help alleviate these financial pressures, including ‘public sector pay restraint’. However, as the report concludes, with commendable understatement: “But these actions would be politically difficult during a cost of living crisis with many staffing groups already participating in or considering strike action”. Predictably and somewhat depressingly, the option that would swiftly resolve the crisis is not even considered in this context but the Northern Ireland Fiscal Council is presumably not empowered to suggest that the UK government might actually wish seriously to consider increasing the block grant to a level that would actually enable Northern Ireland departments to meet the needs of the people they serve, instead of permanently teetering on the very edge of financial meltdown.

- 15 The RCN in Northern Ireland has consistently highlighted the perennial tendency for annual pay awards to be announced and imposed by the Department of Health in November or December of the financial year to which they apply. This was, once again, the case in 2022-2023. Because of the collapse of the Northern Ireland Executive and the absence of a working budget, the 2022-2023 Agenda for Change pay award was only confirmed in December 2022 and finally paid at the very end of the 2022-2023 financial year. This is completely unacceptable. As well as highlighting the negative consequences of the current political malaise in Northern Ireland, it exemplifies the inadequate nature of budget-setting and business planning that has characterised the health and social care system in Northern Ireland for far too long. Awards should be agreed in advance of the financial year to which they apply and paid with effect from the April salary date. It must also be acknowledged that the capacity of the Department of Health in Northern Ireland to implement a fair pay award is largely dependent upon the receipt of Barnett funding deriving from the equivalent pay award announced for England by the UK government. When pay awards are made in England but not accompanied by new funding, this means that no consequential funding accrues to Northern Ireland, making the retention of pay parity extremely challenging. The inter-relationship between pay awards across the four UK countries is clear and that is why any requirement for an uplift in England to be funded from existing budgets is divisive and unacceptable to RCN members in Northern Ireland.

Concluding comments

- 16 The RCN hopes that the Committee will find this submission helpful. Given the request within the terms of reference for contributions to be succinct, we have attempted to summarise the key issues identified by the Committee but this inevitably means that there is considerable further evidence that could have been cited and which we would be pleased to supply if required by the Committee.
- 17 The health and social care system in Northern Ireland is now beyond the point of crisis and is, we believe, visibly collapsing. This is not simply the result of budgetary mismanagement. It is the inevitable consequence of years of systematic under-funding, spurious requirements for the delivery of 'efficiency savings' within the context of budgets that were wholly inadequate in the first place, the stop-start nature of devolved government which has engendered a dearth of political leadership and accountability, funding constraints that have impeded rather than assisted the strategic transformation of the system, and a perennial inability to plan for the future in terms of the workforce and service delivery. Unless these underlying issues are immediately and robustly addressed, the consequence for the health and well-being of the people of Northern Ireland will be catastrophic.

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