

# Future of NHS Funding and Finance Conference

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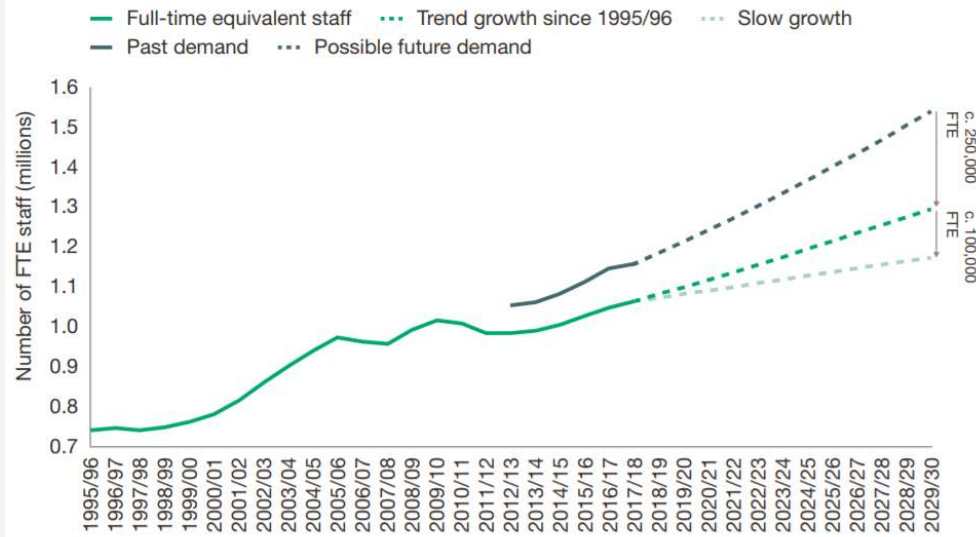
The workforce angle

Billy Palmer, PhD

# Introduction

## Future of NHS Funding and Finance Conference

Figure 1: Future supply of and demand for NHS staff



Source: Health Foundation projections, based on workforce data from NHS Digital and Health Education England.

Almost 65% (£54.7 billion) of operating expenditure relates to employee costs (2018-19 summarised account)

# Lesson 1: Build in a margin for error to avoid costly gaps in the professional workforce

## Demand estimate



## Supply estimate

In 2015, Health Education England's supply forecast was for between 181,000 and 193,000 by 2018.

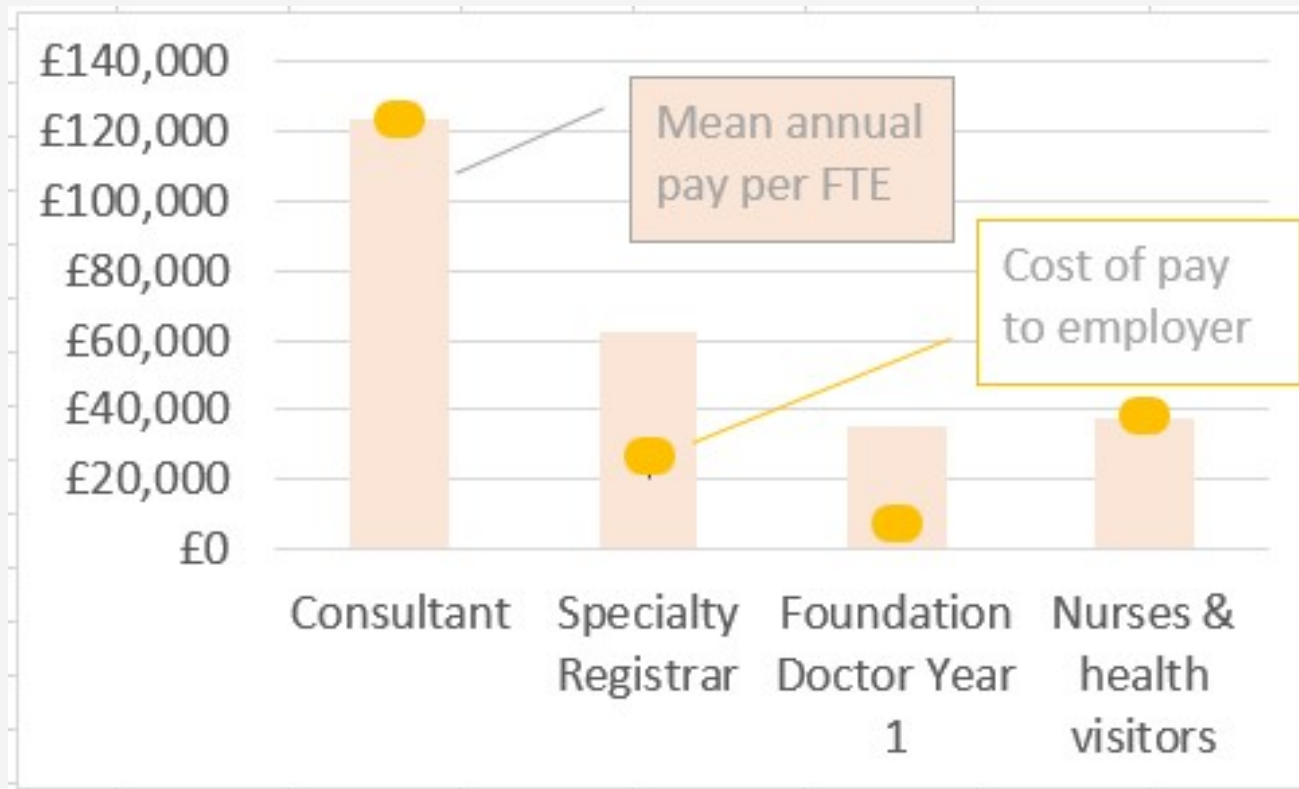
In reality, the most recent count of adult nurses – 179,000 – is below even the 'worst case' scenario.

# Lesson 2: You can't change the model of care without changing the workforce to support this

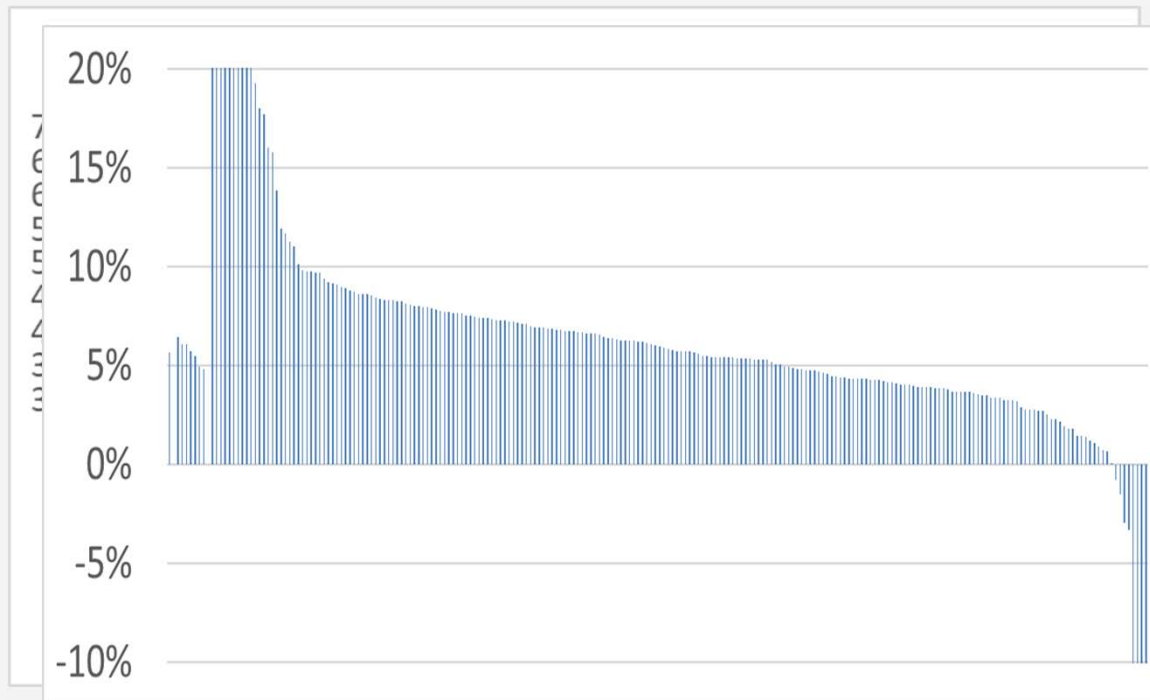


# Lesson 3: We risk taking a limited view on costs

Who bears the cost?



## Lesson 4: Keep an eye on individual localities within the overall national picture



## Lesson 5: The costs and benefits of contractual changes are often not as expected

### Clinical grading (1988)

- **100,000 decisions** on grades were contested and it took until 2003 for all the claims to be dealt with

### Consultant contract (2003)

- only half of NHS trusts were clear about the aims of the consultant contract
- funding of the new contract was based on – somewhat conservative – 43 hours a week

### GMS contract (2004)

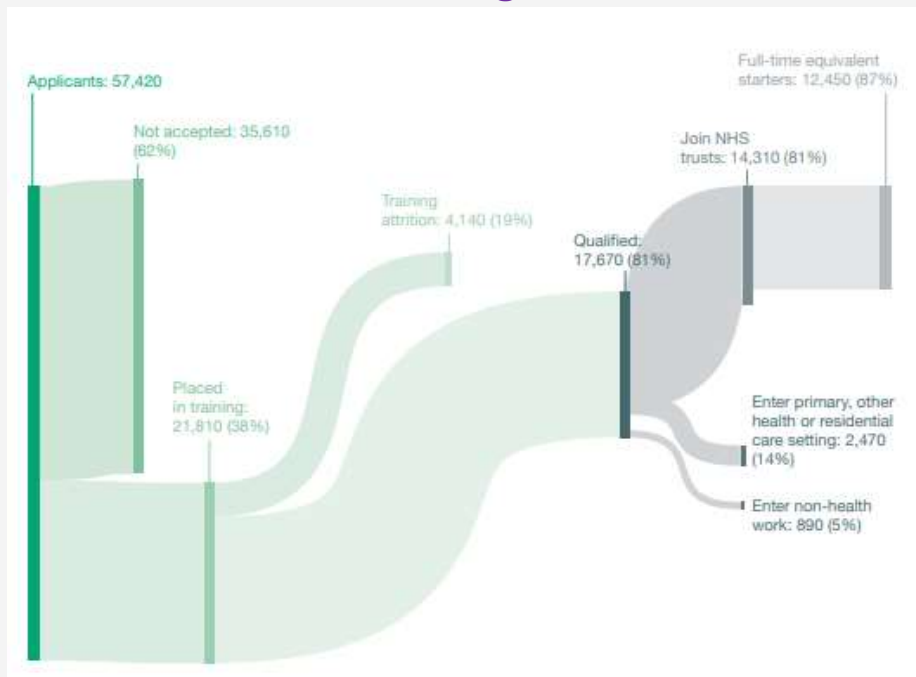
- In the first 3 years GP services cost **£1.8bn** more than expected when the contract was negotiated

### Agenda for Change (2004)

- Forecast net savings over the first five years of at least £1.3 billion
- However trusts and staff were not required to achieve any efficiency improvements

# Lesson 6: Falls in participation and retention are costly

## Nurse training



## GP specialty training

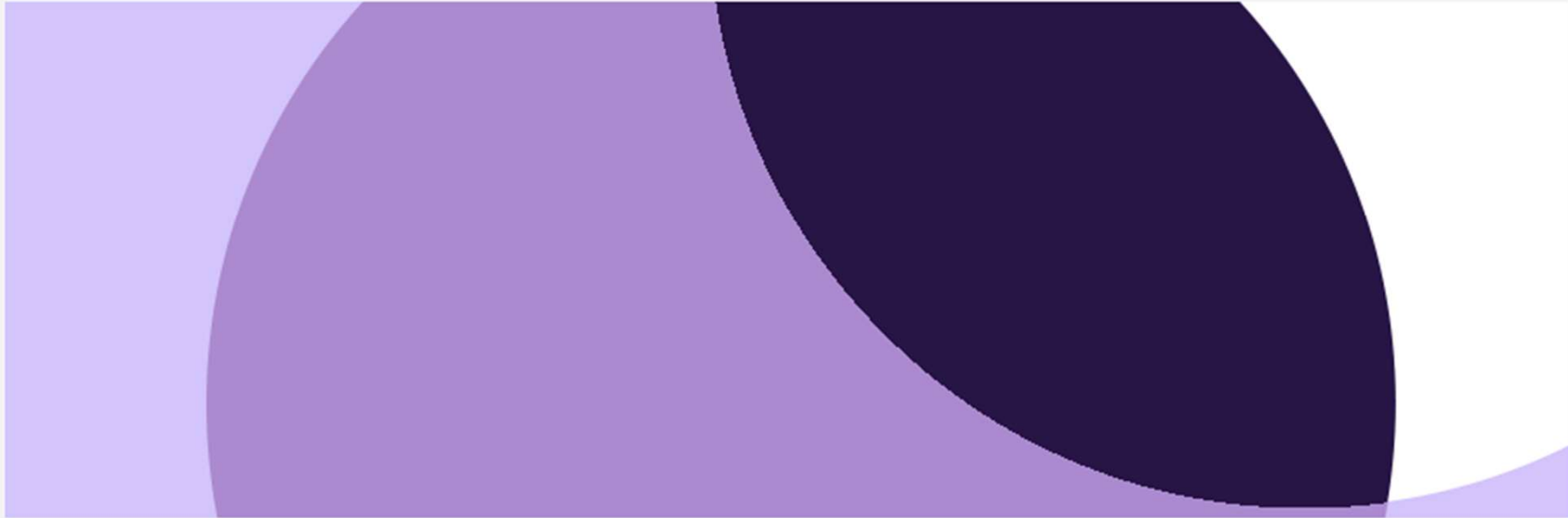




# Recap...

1. Build in a margin for error to avoid costly gaps in the professional workforce
2. You can't change the model of care without changing the workforce to support this
3. We risk taking a limited view on costs
4. Keep an eye on individual localities within the overall national picture
5. The costs and benefits of contractual changes are often not as expected
6. Falls in participation and increases in attrition and training are costly

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