Summary of the NHS long term workforce plan

Introduction

NHS England published the *NHS long term workforce plan* (the plan) on 30 June 2023. This is a long-awaited document which looks to ensure the NHS has the workforce it needs for the future. NHS England described it as ‘a once-in-a-generation opportunity to put staffing on a sustainable footing and improve patient care’, this being the first time that the government has asked the NHS to come up with a comprehensive workforce plan.\(^1\)

Demand for healthcare is increasing as our population grows and ages. In recent years, the number of people trained has not kept pace with demand, and the NHS has become increasingly reliant on temporary staffing and international recruitment. The *NHS long term plan* set a vision to boost care in the community and focus more on population health and prevention, but most new roles since have been in the acute sector.\(^2\) Having a national workforce plan should help to address some of these issues.

NHS England has committed to updating this plan at least every two years. This will help to mitigate uncertainty in the forecasting assumptions and will mean that NHS England can react and respond to any under- or over-performance against targets.

This briefing summarises NHS England’s plan, giving an overview of the key messages before focusing in on some of the financial implications. Please refer to the full plan for more detail.

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Overview of the plan
The plan centres around a model which forecasts demand for NHS services and the supply of NHS staff over the next 15 years. Through this model, NHS England estimates that the NHS could be 260,000 to 360,000 short of staff by 2036/37. The plan then proposes a series of actions to fill the gap and ensure we have the workforce we need for the future.

Broadly, these actions come under three categories:

- **Train**
  NHS England will significantly increase education and training places, including through apprenticeships, to increase the supply of doctors, dentists, nurses, midwives and other professional groups into the NHS.

- **Retain**
  NHS England will improve staff retention by better supporting people throughout their careers, offering more flexibility to staff and continuing to improve culture and leadership across the NHS.

- **Reform**
  NHS England will improve productivity by building broader teams with flexible skills, training more staff in roles and services where they are needed most, and ensuring staff have the right skills to take up new technologies.

Forecasting demand
Assumptions around demand and supply underpin the plan. As with any long-term forecast, there is significant uncertainty. It is worth understanding the basic methods and assumptions to identify where there is the greatest risk.

The starting point for demand is staffing in 2021/22. As shown in Figure 1, this suggests that there is currently demand for 1.6m full time equivalents (FTEs), including temporary staff. NHS England then estimates that between now and 2036/37, demand will increase such that the NHS would need around 800,000 more staff if the NHS continued to be run in the same way. In addition, NHS England hopes to reduce reliance on international recruitment, meaning that the NHS needs to train around 60,000 more staff in the UK. This brings total demand in 2036/37 to between 2.3m and 2.4m FTEs.

Figure 1: Drivers of NHS workforce demand and supply in 2021/22 and as projected for 2036/37 (FTEs, ‘000s)

Source: Figure 1 of the NHS long term workforce plan

When estimating future demand, NHS England considered the following:

- demographic growth projections and historical trends on the growing complexity of needs
- service ambitions set out in the *NHS long term plan* to deliver more care in the community, outside of a hospital setting
- what is needed to improve access and performance, for instance tackling long waits for elective care, responding to the Ockenden review of maternity services and returning the ratio of patients to GPs to what it was in 2015. As part of this, the plan assumes the NHS will return to pre-pandemic levels for length of stay.
Among the more ambitious assumptions feeding into the model is an assumption that the NHS will achieve labour productivity gains of between 1.5% and 2% each year. This is above long-term trends and relies on investment in infrastructure and technology. After factoring in the labour productivity assumption, NHS England forecasts that with no further intervention, the NHS would have 260,000 to 360,000 too few staff by 2036/37.

**Forecasting supply**

As with demand, the starting point for supply is staffing in 2021/22. NHS England then looked at how the NHS would fare if it continued on its current course. It considered the following:

- historical trends in supply growth (for example, joiner and leaver rates)
- the education and training pipeline
- planned expansions and observed flows in international recruitment.

To boost supply, NHS England has added actions to train, retain and reform the NHS workforce. As shown in **Figure 1**, this fills the gap such that forecast supply matches forecast demand.

**Action one: train**

The first action is that NHS England will invest in education and training to create more training places and grow the workforce. For logistical reasons, this won’t all happen at once. The plan sets out an incremental but significant expansion to education and training capacity, giving targets for 2025, 2028 and 2031.

**Figure 2** shows the plan across the different professions. Against 2021/22, NHS England is targeting a 27% increase to training places by 2028 and a 64% increase by 2031.

**Figure 2: Increase required in education and training by profession**

<table>
<thead>
<tr>
<th>Professional group</th>
<th>2021/22 baseline</th>
<th>2028 plan</th>
<th>2031 plan</th>
<th>Estimated need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical school places</td>
<td>7,500</td>
<td>10,000</td>
<td>15,000</td>
<td>12,000-15,000</td>
</tr>
<tr>
<td>GP trainee places</td>
<td>4,000</td>
<td>5,000</td>
<td>6,000</td>
<td>5,800-6,400</td>
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<tr>
<td>Nursing</td>
<td>29,860</td>
<td>40,000</td>
<td>53,858</td>
<td>49,225-53,858</td>
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<tr>
<td>Nursing associates</td>
<td>5,000</td>
<td>7,000</td>
<td>10,500</td>
<td>10,000-10,500</td>
</tr>
<tr>
<td>Midwifery</td>
<td>3,778</td>
<td>4,269</td>
<td>4,269</td>
<td>3,778-4,269</td>
</tr>
<tr>
<td>Health visitors, district nurses, qualified school nurses</td>
<td>1,811</td>
<td>2,327</td>
<td>3,788</td>
<td>3,066-3,788</td>
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<tr>
<td>Advanced care practitioners</td>
<td>3,433</td>
<td>5,000</td>
<td>6,371</td>
<td>6,371</td>
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<tr>
<td>Allied health professionals</td>
<td>15,076</td>
<td>17,000</td>
<td>18,822</td>
<td>17,902-18,854</td>
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<tr>
<td>Clinical psychologists and child and adolescent psychotherapists</td>
<td>1,050</td>
<td>1,068</td>
<td>1,326</td>
<td>1,258-1,397</td>
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<td>Healthcare scientists</td>
<td>776</td>
<td>876</td>
<td>1,024</td>
<td>930-1,039</td>
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<tr>
<td>Pharmacists</td>
<td>3,339</td>
<td>4,307</td>
<td>4,970</td>
<td>4,359-5,174</td>
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<tr>
<td>Dentists</td>
<td>809</td>
<td>1,000</td>
<td>1,133</td>
<td>995-1,133</td>
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<td>Dental hygienists and therapists</td>
<td>370</td>
<td>475</td>
<td>518</td>
<td>444-518</td>
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<td>Medical associate practitioners</td>
<td>1,417</td>
<td>1,687</td>
<td>1,802</td>
<td>1,802</td>
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<tr>
<td>Approved clinicians</td>
<td>127</td>
<td>127</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>Peer support workers</td>
<td>2,000</td>
<td>2,088</td>
<td>2,230</td>
<td>2,302</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80,346</strong></td>
<td><strong>102,225</strong></td>
<td><strong>131,738</strong></td>
<td><strong>120,359-132,532</strong></td>
</tr>
</tbody>
</table>

Source: Extract from figure 2 of the *NHS long term workforce plan*

One of the early challenges is building capacity for education and training – both growing the teaching and supervisory workforce and ensuring there is enough infrastructure. As the plan progresses, providers will also need to offer more placements, for instance for doctors in their foundation years.
Another challenge is filling the places, particularly for nursing where there are relatively few applicants per training place. One approach is to offer more apprenticeships in nursing, the allied health professions, healthcare science and medicine. NHS England is also looking to increase its direct entry roles (for instance for healthcare support workers), helping to build a pipeline through the apprenticeship route. These approaches can widen opportunities for people from all backgrounds to join the NHS workforce, and in turn make the NHS a more inclusive place to work.

It is worth pointing out here that the plan only looks at the NHS workforce. Some commentators have called for a social care workforce plan to go alongside the plan for the NHS. One risk is that the NHS and social care providers will increasingly compete for the same staff, with the plan recognising that NHS organisations will need to recruit from the wider labour market to a much greater extent over the next 15 years.

**Action two: retain**

The second action is that NHS England will focus on culture and improve staff retention. It is aiming that the leaver rate for NHS staff will reduce from 9.1% in 2022 to between 7.4% and 8.2% over the course of the plan. This is the equivalent of retaining 55,000 to 128,000 FTEs. In the shorter term, NHS England expects leaver rates to increase, in part because staff who put off their retirement during the pandemic are now choosing to leave. But in the longer term it expects that cultural change and more flexible working options will lead more people to stay.

Specifically, NHS England will:

- promote equality, diversity and inclusion
- modernise the NHS pension scheme to allow for more flexibility
- better communicate the benefits of working for the NHS
- encourage integrated care systems to invest in occupational health and wellbeing services
- encourage NHS organisations to expand their options for flexible working.

The plan does not refer to the current pay disputes and does not make any suggestions in terms of pay.

**Action three: reform**

The third and final action is that NHS England will reform the workforce to ensure the NHS can meet the changing needs of patients. This largely focuses on productivity improvement and delivering more care closer to home.

NHS England stresses that productivity is not about staff working harder and sees productivity improvement as coming from a combination of:

- delivering the same care in lower cost settings, for instance moving hospital admissions to hospital at home
- reducing the administrative burden on clinicians through technological advancement such as artificial intelligence and robotic process automation
- changing the skills mix through additional training places, as well as upskilling and retaining existing staff.

As part of its plan, NHS England wants a larger proportion of the overall workforce to work in primary, community and mental health services, and a larger proportion to work in prevention. This has been a policy aim previously, but without a comprehensive workforce plan the opposite has happened, with disproportionate numbers recruited into acute care.

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3 Nuffield Trust, *Nuffield Trust response to announcement on NHS long term workforce plan*, June 2023
4 In 2023/24, NHS England is working with partners to develop a national, multi-professional, integrated community and primary care core capability and career framework, which may go some way to addressing this risk.
Financial implications
The scale of training, education and workforce growth set out in the plan has significant financial implications. The government has committed to fund most of the direct training costs in the first six years of the plan. But it is not clear where the funding will come from for wider costs such as employing more people and investing in the infrastructure needed to support their work.

Funding
The plan provides funding for the direct cost of education and training. The training budget was already due to increase from £5.5bn to £6.1bn over the next two years. In support of the plan, the government is committing additional funding of £2.4 billion cumulatively over the next six years. We have not assessed whether this is enough to meet NHS England’s aim of expanding training places by 27% by 2028/29. Future governments will need to commit funding for the final years of the plan, in which costs will be much higher.

The plan does not provide funding for the pay costs of employing a larger workforce. We would expect this to be addressed by a future spending review. As most of the training courses take several years, this should not be too costly in the immediate term, though it will affect NHS organisations’ longer-term planning. In the nearer-term, NHS organisations may need to factor in more limited additional costs, for instance to supervise student placements and to employ apprentices.

At several points, the plan stresses that success depends on sustained investment in NHS infrastructure and significant increases in funding for technology and innovation. Without this, the NHS won’t be able to meet its targets on labour productivity and will therefore not have enough staff to meet demand. There is also a risk that the NHS estate will not be big enough to house the expanded workforce. NHS England calls for government support, but the plan does not itself promise any additional capital funding.

Day-to-day finance
Beyond the national picture, there are a few specifics to draw out which are relevant to people working in NHS finance teams.

Firstly, returning to assumption that the NHS will achieve labour productivity gains of between 1.5% and 2% each year, the implication is that NHS organisations will be asked to deliver a higher level of savings in the coming years. In 2023/24, the NHS was asked to meet a 2.2% efficiency target, but this included both pay and non-pay.5

On apprenticeships, the plan sets out that NHS England will develop an apprenticeship funding approach that better supports employers with the cost of employing an apprentice. As part of this, it hopes that apprenticeship levy funding can be more easily transferred between employers in an ICS. This is not in place yet but is something to look out for in the future.

Finally, NHS England is proposing changes to the NHS pension scheme, which would make it more flexible for people of retirement age. During 2023/24, the Department for Health and Social Care will introduce reforms such that staff can partially retire or return to work after retirement and continue to build up their pension. Older staff will be able to draw down their pension, work more flexibly and remain in the workforce longer.

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5 NHS England, 23/24 priorities and operational planning guidance, January 2023
About the HFMA
The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For over 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are ‘fit for purpose’ and effective.

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