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NHS England submission to the NHS Pay Review Body

Evidence for the 2023/24 pay round

11 January 2023

Contents

1. Introduction

1. This is NHS England's submission to the NHS Pay Review Body. The evidence covers our key responsibilities for supporting the recruitment, retention and motivation of NHS staff employed on the Agenda for Change (AfC) contract.

2. At the time of preparing our evidence we are in a period of industrial action, with successful ballots for strike action over the 2022/23 pay award.

3. Today's labour market is increasingly competitive as a result of the lowest rates of unemployment in the country since 1974. Vacancy levels across most staff groups are high, despite the NHS workforce having grown significantly over recent years, with more people employed by the NHS now than at any time in its history. Leaver rates are now climbing, having fallen dramatically during the pandemic. To ensure services remain appropriately staffed and safe, NHS organisations have significantly increased their use of temporary staff, through both bank and agency shifts.

4. The most recent NHS Staff Survey results show that – save for a limited number of measures – staff experience has declined over recent years. Sickness absence rates increased during the pandemic and remain significantly higher than before the pandemic.

5. Delivering the NHS Long Term Plan, improving urgent and emergency care performance and reducing the elective backlog following the COVID-19 pandemic are imperative. To do this, the NHS needs to recruit and retain staff. This evidence sets out the work being undertaken to retain staff and support their physical and mental health wellbeing as they restore services, meet new care demands and reduce the care backlogs due to Covid. However, increasing productivity to tackle backlogs built up due to Covid remains a challenge.

6. Work is also underway to develop a NHS Long Term Workforce Plan. This will focus on the actions the NHS must take, working with partners in government, over the next 15 years to grow and transform the workforce, and continue to embed compassionate and inclusive cultures, so that it is on a sustainable footing to deliver the new care models required to meet the ageing population's care

needs. The size and shape of the workforce and the skills of staff will need to shift to meet these challenges.

7. Staff need to know that they will have the right numbers of staff working alongside them in hospital or the community. To achieve this, pay awards need to be fully funded, so NHS leaders can employ the staff they need to deliver the mandated level of activity and investment in services for the benefit of patients.

8. We know from our discovery work during 2021 that staff are not fully aware of the value of the overall NHS employment offer or that the NHS Pension Scheme offers excellent value for money and important benefits for them and their loved ones. There is anecdotal evidence that due to the cost of living challenges, increasing numbers of staff in professional grades may be opting out of the scheme for affordability reasons. We are exploring how we build on the work we have done to raise awareness of the value of the NHS Pension Scheme, by developing an Employee Value Proposition framework to help organisations highlight the wider benefits of the employment offer.

9. Around 40% of the NHS workforce is over age 50. To maintain and increase capacity, it is vital we retain experienced staff to support recovery and their less experienced colleagues. When staff do retire, we want to encourage them to return. To do that, we need to put in place the right incentives and flexibilities, which address staff concerns over the impact of pensions tax, their ability to return to their previous role after retirement and the potential impact on their pension.

10. The total NHS pay bill accounts for £70 billion, around 65% of a provider's expenditure. Each additional 1% of pay for NHS trusts accounts for around £1 billion, allowing for full system costs. The 2022/23 pay award for staff was not supported by additional investment from central government, which led to difficult trade-offs within the existing NHS budget, and affected service delivery.

11. The NHS budget has been set until 2024/25 and includes stretching efficiency targets. The NHS will need to continue to manage the impact of high inflation, which also applies to other areas of spend, eg consumables, drugs and devices, energy costs, etc.

12. Given the ongoing impact of Covid and the need to restore and recover services, additional pay pressure could lead to difficult trade-offs within the current NHS

settlement. Pay remains the largest component of NHS costs and therefore pay inflation represents a material cost pressure to the NHS. This pressure, if not supported by additional investment, is again likely to result in difficult trade-offs during the year on staffing numbers, initiatives to support staff and the ability of the NHS to deliver on its key strategic priorities – reducing the elective backlog, improving emergency care and improving access to primary care.

2. Workforce strategy

13. In July 2020, the NHS People Plan 2020/21[1] and the People Promise[2] were published, and set out the action that everyone in the NHS needs to take so that we have more people, working differently, in a compassionate and inclusive culture. The actions built on steps already being taken in the NHS, including innovative practice as a result of the pandemic, to improve the experience of people working, learning and training in the NHS, so that they are better equipped to lead change, provide high quality, safe services and improve outcomes for patients.

14. On 23 December 2022, NHS England published the 2023/24 priorities and operational planning guidance for the NHS. This includes priority actions relating to the strategic themes established in the People Plan 2020/21, in particular:

- accelerating plans to grow the substantive workforce and working differently, while keeping our focus on the health, wellbeing and safety of our staff as they use what we have learnt through the pandemic to rapidly and consistently adopt new models of care that exploit the full potential of digital technologies
- working in partnership as systems to make the most effective use of the resources available to us across acute, community, primary and social care settings, to surpass pre-pandemic levels of productivity as the context allows
- using the additional funding government has made available to us to increase our capacity and invest in our buildings and equipment to support staff to deliver safe, effective and efficient care.

[1] https://www.england.nhs.uk/ournhspeople/
[2] https://www.england.nhs.uk/ournhspeople/online-version/lfaop/our-nhs-people-promise/

15. Looking to the future, demand for services will continue to grow with demographic and societal shifts. Technology will change how services are delivered and will give patients greater control over their own healthcare. Over the next 15 years, England's population is projected to increase by 4.2%. It is also ageing; over the same period the number of people over 85 is estimated to grow by 55%. An older population, living with multiple co-morbidities, and more empowered patients, means the size and shape of the workforce, and the skills NHS staff have, will need to alter.

16. In February 2022, the Secretary of State commissioned NHS England and Health Education England to develop a long-term workforce plan for the NHS. It will focus on the practical action the NHS must take, working with partners, to grow and transform the workforce, and continue to embed compassionate and inclusive cultures.

17. Guided by a new strategic framework for the health and care workforce, the workforce plan will set out how we ensure the NHS has the right number of people, with the right skills, working in the right areas to deliver high quality care. Combined, the actions recommended in the plan will put the NHS on a sustainable footing over the long term. The NHS Long Term Workforce Plan will be published in Spring 2023.

3. NHS finances

3.1 Financial context

18. NHS England's priorities are to deliver the NHS Long Term Plan, improve urgent and emergency care performance, tackle the elective backlog and continue to respond to the impact of the pandemic. This is taking place within a financial settlement predicated on stretching efficiency targets and a reduction of COVID-19 related costs. As part of the settlement, government has set specific objectives for NHS England for urgent and emergency care, elective recovery and primary care. Government will set out its formal objectives and budgets for 2023/24 in the NHS mandate.

19. The NHS financial settlement was originally agreed with government in the 2021 Spending Review and covered the period up to 2024/25. Funding for the NHS has

since been confirmed in the 2022 Autumn Statement. This provides an additional £3.3 billion for 2023/24 and 2024/25 which is required to fund forecast higher inflation.

20. The settlement requires the NHS to deliver annual efficiency savings of at least 2.2% each year, which is significantly higher than the c1% per year the NHS has historically delivered. Covid funding for systems reduces from £5.1 billion in 2022/23 to £2.4 billion in 2023/24, with a further £2 billion reduction in 2024/25. This will be challenging given that we anticipate that Covid demand and costs will now be ongoing issues for services. Furthermore, the NHS is absorbing other costs, including higher inflation in 2022/23 and other responsibilities transferred to NHS England. Taken together, the NHS budget is estimated to have reduced in real terms by 3.4% in 2022/23 and will increase by 1.8% in 2023/24 and 2.0% in 2024/25.

3.2 Affordability

21. Pay remains the largest component of NHS costs (c65% of total operating costs) and therefore pay inflation represents a material cost pressure the NHS needs to plan for and manage.

22. NHS England funded systems in full to implement the pay award in 2022/23 but it created a recurrent pay inflation pressure as it was above what we had been funded for in the NHS financial settlement. This pressure was met by reducing the funding available to systems to support investment in technology and new diagnostic capacity.

23. Pay awards that are higher than what is affordable, and which are not supported by additional investment, will put further pressure on the NHS budget. This could impact on staffing numbers and the ability to deliver planned activity or service improvements. These decisions would have a longer term impact on the NHS's ability to restore services and make progress in tackling the elective care backlogs that have grown during the pandemic.

24. We are already reviewing investment in future service improvements and transformation programmes. This requires some planned service expansions to be reprofiled, which will reduce previously planned expenditure in 2023/24 and 2024/25. Separate to system wide expenditure, we are also delivering savings on

our own internal management costs, as part of the merger with Health Education England from April 2023 and NHS Digital from January 2023.

4. NHS Staff Survey

25. The NHS Staff Survey[3] remains one of the world's largest staff surveys with nearly 650,000 responses.[4] In 2021, the survey was redeveloped and aligned with the People Promise. The 2022 survey retained Covid-related questions in light of the pandemic's continued impact, maintaining the opportunity to understand and compare employee experience during this period.

26. The 2022 survey results are not yet available. We expect them to be published in early 2023 to comply with official statistic requirements. 2021 data shows that scores across all themes were lowest for those staff who worked on Covid wards, were redeployed or who could not work remotely. Further detail on how the survey is designed is given in the Annex.

Table 1: NHS Staff Survey 2021 themes by Covid working

	Overall results	Covid-specific areas		Redeployed during Covid		Working remotely	
People Promise element	**PP Element 2021 average score**	**Those who worked on Covid-specific wards at any time**	**Those who have not worked on Covid-specific wards**	**Those who have been redeployed due to the pandemic**	**Not redeployed**	**Not working remotely**	**Those who have been working remotely due to the pandemic**
We are compassionate and inclusive	7.23	7.03	7.36	7.04	7.28	7.08	7.48
We are recognised and rewarded	5.88	5.59	6.09	5.65	5.95	5.64	6.30
We each have a voice that counts	6.71	6.54	6.82	6.53	6.76	6.54	6.98
We are safe and healthy	5.95	5.55	6.20	5.62	6.03	5.82	6.17

[3] https://www.nhsstaffsurveys.com/
[4] https://www.nhsstaffsurveys.com/static/5051c9bf4e3622339dc41f581d4739e7/Core-questionnaire-2021.pdf

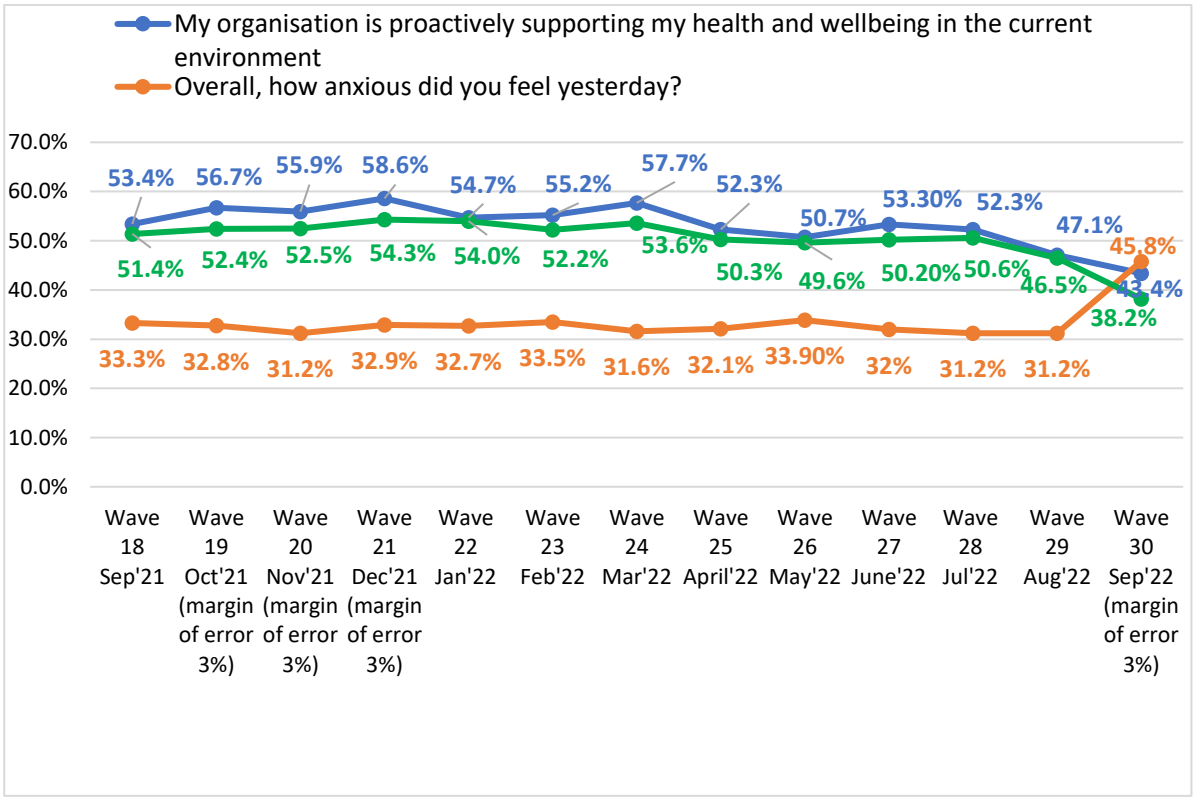
We are always learning	5.27	5.27	5.29	5.27	5.28	5.13	5.52
We work flexibly	6.04	5.66	6.29	5.76	6.12	5.69	6.62
We are a team	6.63	6.44	6.76	6.49	6.67	6.43	6.96

Higher than average score
Same as average score
Lower than average score

Source: NHS Staff Survey data 2021

27. The People Pulse[5] was introduced to help organisations listen to staff views throughout the pandemic in a consistent, validated, standardised and more regular way. It has provided insights into employee experience since July 2020. Trend data from the last 12 months indicates a deterioration in staff feeling their health and wellbeing is supported and feeling they are informed, while anxiety levels have been stable except in September 2022 (Figure 1).

Figure 1: People Pulse analysis



Source: People Pulse

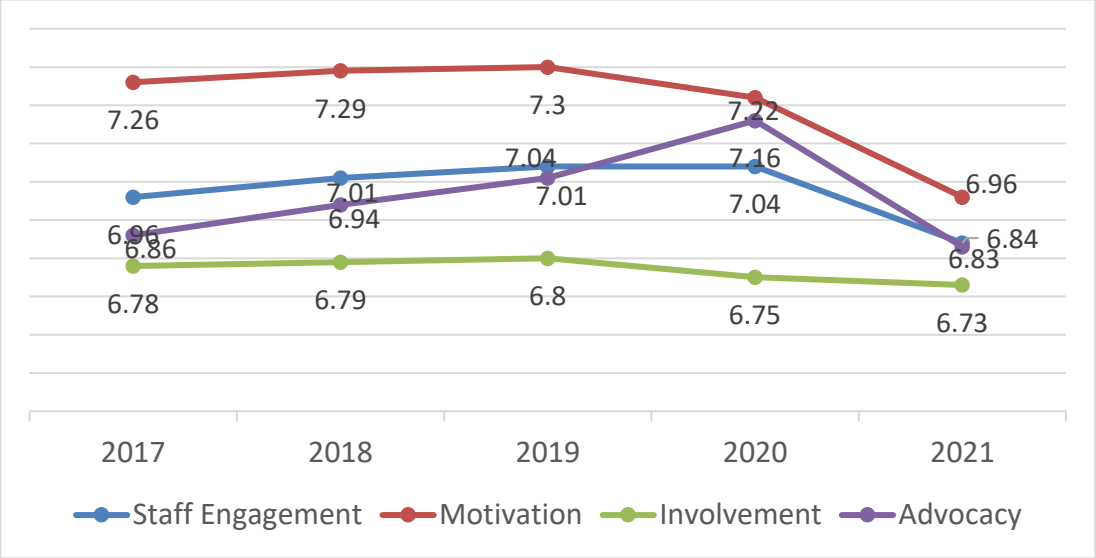
28. The September rise in staff feeling anxious may be explained by September having a lower response rate and higher margin of error, September results were

[5] https://www.england.nhs.uk/nhs-people-pulse/

predominately influenced by two organisations scoring over 7 points above the NHS average. Following September, anxiety scores did reduce back to broadly the long-term trend. Quarter four data will be stronger and have a reduced margin of error, but figures will not become available until February 2023.

29. Figure 2 shows the overall engagement theme had been steadily increasing since 2017, and held in 2020 mainly due to an increase in advocacy – the pride our NHS people have for their organisation and service provision. However, it decreased significantly in 2021, with the advocacy, motivation and involvement elements all at their lowest levels for the last five years, substantially so for advocacy.

Figure 2: Staff engagement national average 5-year view



Source: NHS Staff Survey data 2021; National Quarterly Pulse Survey

30. The National Quarterly Pulse Survey[6] (NQPS) was introduced gradually from July 2021. In April 2022 the NHS Standard Contract was amended to require trusts to implement the NQPS. The NQPS uses the employee engagement question set and can be delivered in trusts using the People Pulse platform. Since Quarter 4 2021/22, NQPS has consistently collected over 115,000 responses each quarter, with the highest response numbers collected in Quarter 2 2022/23 (127,021 responses, representing over 10% of the NHS workforce).

31. Trend data from the NQPS show a continuous slight deterioration of the employee engagement score, although the pace of deterioration is slowing. Involvement has

[6] https://www.england.nhs.uk/fft/nqps/

seen a slight improvement (+0.02). People Directorate research indicates that involvement, more than other aspects of employee engagement, might have the strongest link with retention.

32. The NHS Staff Survey has been aligned to the People Promise since 2021 to better understand how employee experience compares to what staff have told us is important to them. National support for local listening strategies has increased with the introduction of the monthly People Pulse and NQPS. These provide a consistent and standardised way of understanding employee experience nationally, regionally and locally at more regular intervals than yearly.

33. The Retention Programme explores factors that affect job satisfaction and the reasons people decide to stay or leave the NHS, including what may trigger staff to consider leaving. There are several triggers, eg work-related stress, staff shortages, pay, mental health impacts and time pressure. Pay is now in the top five reasons for leaving. See Table 3 in the Annex.

5. Work supporting the People Plan

5.1 The Exemplar Programme

34. The People Promise Exemplar Programme was launched in April 2022 in response to the experience that single interventions have limited efficacy and therefore a 'bundle' of actions is needed to deliver sustained gains across the whole workforce. The programme addresses retention factors for all staff groups and consists of 23 trusts covering every region and a range of types and sizes (excluding ambulance trusts).

35. Each trust is implementing a People Promise improvement action plan, addressing its key retention factors and drawing from a standard menu of interventions (eg flexible working, health and wellbeing and line management support). While the programme is in its early stages, we are beginning to see a positive picture for these organisations. Data gathered through the National Quarterly Pulse Survey (NQPS)[7] shows positive results in terms of engagement scores where focused interventions are being delivered, eg 14 of 23 exemplar trusts have improved their

[7] https://www.england.nhs.uk/publication/national-quarterly-pulse-survey-data/

quarterly staff engagement scores from Quarter 1 to Quarter 2, with the overall cohort improving by 1.1% versus a deterioration nationally of -0.3%.

36. There is a 10% productivity difference between the average of the ten most and ten least engaged acute providers' and for those with a combination of high productivity/effectiveness and high engagement their working practices and workforce models can be quite distinctive (e.g., specialist nurses on surgical wards doing the work of trainee doctors in most other models).

37. Figure 3 suggests a positive relationship between operating department practitioner (ODP) NHS Staff Survey engagement scores (2021) and capped theatre utilisation (September 2022). The ODP role is a good representative proxy for theatre staff, ie these staff are easily identified through survey results and always work in theatres.

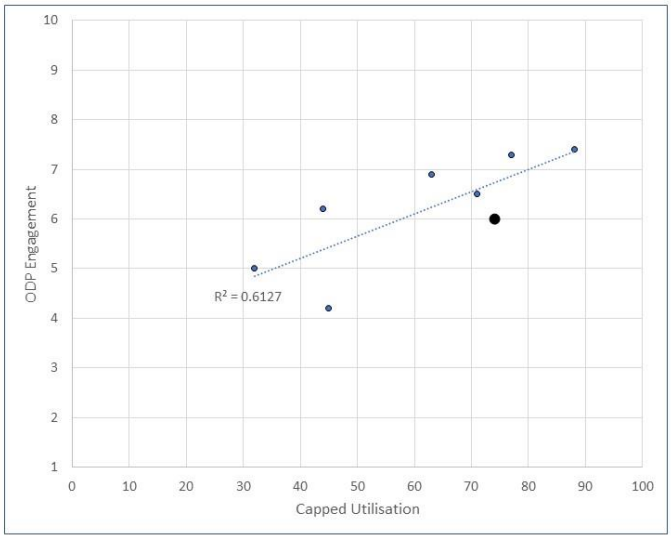
38. Capped theatre utilisation percentage – the touch time within planned session versus planned session time – is one of the key operating theatre efficiency metrics. This indicator improves understanding of the effectiveness of an organisation's operation scheduling processes in comparison to other organisations.

39. This metric represents theatre time utilisation on actual surgery, while touch time represents the time the theatre team were actively engaged in operating. A high level of touch time utilisation could represent effective use of theatre time as well as efficiency in non-surgical activities such as set up and logistics. Touch time utilisation over 85% is considered good practice.

40. Capped theatre utilisation is one of the primary elective recovery metrics that the Getting It Right First Time (GIRFT)[8] programme uses to monitor and measure progress and improvement.

Figure 3: Capped theatre utilisation percentage versus operating department practitioner engagement

[8] https://gettingitrightfirsttime.co.uk/hvlc/theatre-productivity/



- For a selection of trusts there appears to be a correlation between ODP Engagement score (2021 Staff Survey) and Capped Theatre Utilisation (Sept 2022)
- This could be worth expanding to a wider selection of Trusts as well as testing for trends over time

Data sources:

- Operating Department Practitioner Staff Engagement theme scores by Trust – 2021 NHS Staff Survey
- Trust Capped Theatre Utilisation data – Model Health System (Sept 2022)

Source: Operating department practitioner staff engagement theme scores by trust (2021) NHS Staff Survey and trust capped theatre utilisation data – Model Health System (September 2022)

41. Various other retention improvement interventions are being implemented and are informed by:

- Culture and Leadership Programme[9] (CLP) – a structured approach that helps organisations understand their own culture, identify the root causes they need to change and then to address them
- Workforce Disability Equality Standard[10] (WDES), which is mandated through the NHS Standard Contract to reduce areas of disparity
- The NHS Health and Wellbeing Framework,[11] which defines what organisations and systems need to do to create a wellbeing culture
- Messenger Review[12] (2022), which highlighted the difference excellent leadership can make in health and social care.

[9] https://www.england.nhs.uk/culture/culture-leadership-programme/
[10] https://www.england.nhs.uk/about/equality/equality-hub/workforce-equality-data-standards/wdes/
[11] https://www.england.nhs.uk/supporting-our-nhs-people/health-and-wellbeing-programmes/nhs-health-and-wellbeing-framework/#:~:text=This%20framework%20is%20a%20high,interest%20in%20health%20and%20wellbeing.
[12] https://www.gov.uk/government/publications/health-and-social-care-review-leadership-for-a-collaborative-and-inclusive-future

5.2 Support for staff during COVID-19

42. From the early stages of the pandemic, the national Health and Wellbeing Programme[13] was developed to support staff and complement what was available locally. The NHS Health and Wellbeing Framework[14] defines what organisations and systems need to do to create a wellbeing culture. This has continued to be rolled out during 2022.

43. The programme shifted from individually-led offers, which required staff to recognise they were struggling and access support, to an organisationally-led and designed preventive approach, so that staff health and wellbeing becomes embedded culturally at a local level. Since then, key interventions include:

- rollout of health and wellbeing conversation training for line managers and peers to enable them to have safe and compassionate conversations with colleagues
- establishing and supporting the wellbeing guardians – a role to ensure effective board-level ownership that provides check and challenge to ensure staff health and wellbeing is embedded in organisational culture
- introduction of the wellbeing dashboard in the Model Health System[15] to provide a consistent dataset for all providers and integrated care systems (ICSs) to evaluate progress on health and wellbeing, including leading and lagging indicators, and positive and negative indicators
- rollout of health and wellbeing champions across the NHS – with dedicated support from the national team
- dedicated support and investment into 26 ICSs to develop locally owned health and wellbeing programmes tailored to local workforce needs and evaluated to share learning and identify which interventions could be scaled nationally

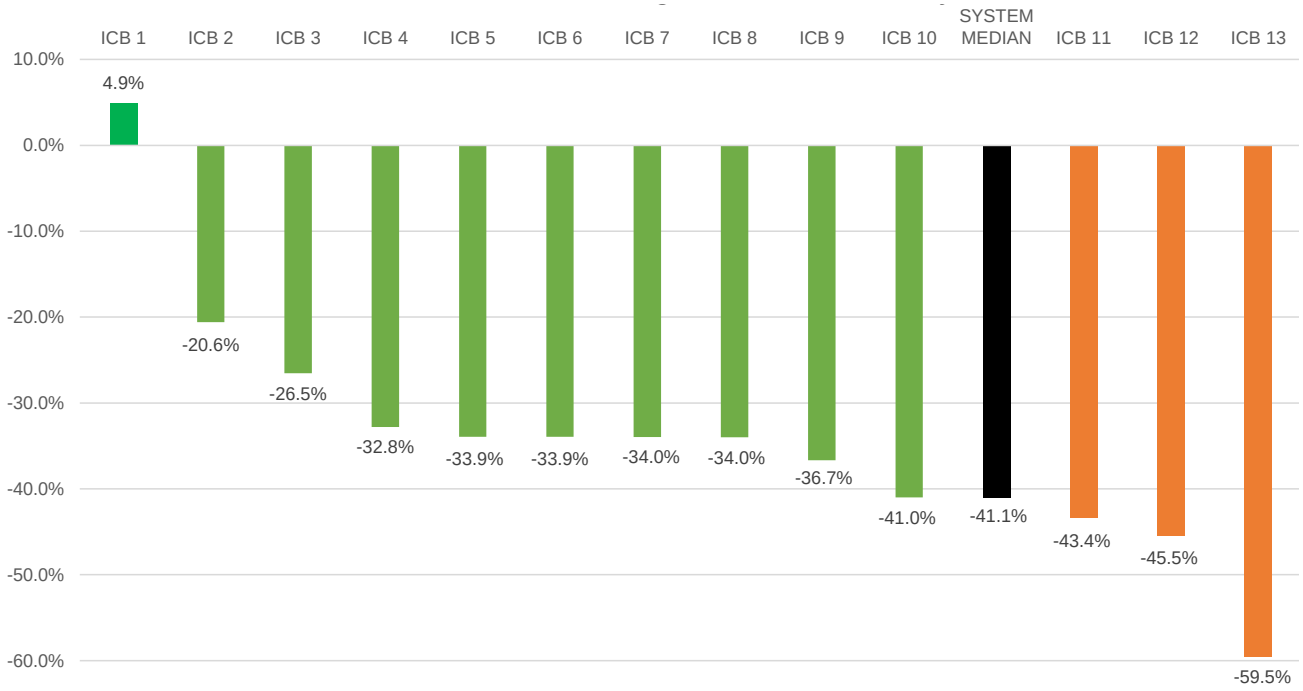
[13] https://www.england.nhs.uk/supporting-our-nhs-people/health-and-wellbeing-programmes/
[14] https://www.england.nhs.uk/supporting-our-nhs-people/health-and-wellbeing-programmes/nhs-health-and-wellbeing-framework/#:~:text=This%20framework%20is%20a%20high,interest%20in%20health%20and%20wellbeing.
[15] https://www.england.nhs.uk/applications/model-hospital/

- development of a national strategy for occupational health[16] with a view to supporting occupational health services to move towards a preventive, integrated service delivery model.

44. The national Health and Wellbeing Programme is working with specific sectors, including maternity, ambulance and critical care, as well as directly supporting regional teams.

45. 10 of the 13 ICSs participating in the nationally-led Enhanced Health and Wellbeing Programme saw their nursing leaver rates slow down in comparison to the national average (Figure 4). Reasons for leaving include retirement, work-life balance and pay/reward. It follows that by improving staff experience, we would expect to see an impact on retention rates over time.

Figure 4: Percentage change in nurse leaver rate for nursing staff at ICBs participating in the Enhanced Health and Wellbeing Programme - December 2020 to July 2022



Source: Enhanced Health and Wellbeing Programme sites (13 ICSs)

46. There is no quick fix to improving staff wellbeing and addressing its determining factors, which include adequate staffing levels to meet demand. It will require long-

16 https://www.nhshealthatwork.co.uk/growingohroadmap.asp#:~:text=Growing%20OHWB%20Together&text=In%202021%2C%20in%20response%20to,strategic%2C%20and%20proactive%20system%20partners.

term investment, culture change, service improvement and, above all, a focus on what drives workforce wellbeing, some of which lies outside the workplace. Meeting these needs requires an ongoing reflective approach. During early pandemic stages we made a large amount of resources available nationally & over the last year local organisations have shifted focus to cost of living.

47. On 28 September 2022, we launched a cost of living hub, which includes several local resources developed by the NHS for its staff and wider national resources that support health and care staff to make their money go further. We encourage employers to collaborate, sharing best practice with each other. We also developed a cost of living guide informed by interventions developed by employers – this provides a good practice approach to the structure and type of content employers may want to highlight to their workforce, with this support accessible both on and off site, and categorised into key areas such as groceries, accommodation and travel. Colleagues welcome having access to a 'one stop shop' for cost of living resources. The guide can be adopted/adapted for health and care staff.

48. We also published cost of living resources/information for staff on our Financial Wellbeing[17] webpage. It identifies the information that NHS and care staff can access and a range of widely available financial wellbeing support and ideas to help any member of health and care staff make their money go further, categorised into key areas, eg deals and discounts, utilities, travel and grocery costs.

5.3 Flexible working

49. We know that flexible working is important to our people and a means of attracting and retaining them. In January 2022, we published the guidance Flexible working: Raising the standards for the NHS[18] and in June 2022 Flexible working: toolkit for individuals and line managers.[19]

50. Flexible working is encouraged from the point of recruitment, with NHS Jobs and the recruiting system (TRAC) enabling roles to be advertised with flexible working

[17] https://www.england.nhs.uk/supporting-our-nhs-people/support-now/financial-support/supporting-our-staff-to-help-money-go-further/
[18] https://www.england.nhs.uk/wp-content/uploads/2022/02/B0395-flexible-working-raising-the-standards-for-the-NHS.pdf
[19] https://www.england.nhs.uk/publication/flexible-working-toolkit-for-individuals-and-line-managers/

options. As a minimum, 25% of permanent roles should be advertised with clear flexible working options. Since initial implementation in NHS Jobs in September 2020 and TRAC in March 2021, use of this feature has increased from 11.4% in April 2021 to 21.5% in September 2022.

51. Flexible working is also a key component of the exemplar site programme, with the 23 participating organisations being offered a range of support to focus on five areas:

- Evidence of communicating and adopting the flexible working policy changes introduced in NHS Terms and Conditions, including a clearly defined board-level champion. Trusts can also draw on the flexible working definition and principles when reviewing their policies.
- Dashboard or workforce report, which enables the board to monitor progress against defined flexible working metrics, including data relating to clinical staff. A template dashboard with sample metrics has been made available for use.
- Audit of the level to which team rostering and e-rostering are used to facilitate flexible working. Trusts can use tools such as the level of attainment checklist[20] to understand their current position and identify gaps in moving to the next level. Interactive sessions, such as regional roadshows that include exploring challenges, are being run.
- Clinical leads demonstrate they are playing an active role in designing, implementing and monitoring flexible working arrangements for all staff, and acting on feedback. NHS England will work with the sites to understand how they are engaging with clinical teams and the impact this has in the organisation.

52. The NHS Staff Survey has shown a general upward trend in staff reporting satisfaction with opportunities to work flexibly. Apart from a slight decrease in 2021 (53.9%), satisfaction increased from 51.2% in 2016 to 57% in 2020. The reason for the decrease is not known but may partly reflect ways of working and staff experiences during the pandemic.

[20] https://www.england.nhs.uk/wp-content/uploads/2020/09/E-rostering_meaningful_use_standards.pdf

5.4 Enabling staff movement

53. The Enabling Staff Movement Programme makes it easier for staff to move around the NHS safely by removing technological, process and cultural barriers, many of which can only be overcome with national interventions and policy changes.

54. The Enabling Staff Movement Toolkit,[21] developed with partners and published in 2019, helps organisations remove barriers to staff movement, providing sample 'warranty' text, case studies and signposted resources.

55. A digital staff passport[22] is widely accepted as a strategic modern solution to help achieve more efficient deployment of an agile and responsive workforce. In brief, this innovation enables the right people with the right skills to be safely deployed to the right place, quickly, efficiently and securely, thereby helping in both the recovery period and setting a change in approach to provide a long-term sustainable solution.

56. Digital staff passports enable people to hold a verified portfolio of their qualifications, professional registration, employment history, competence and assessed experience so that they can move between different NHS employing organisations easily and quickly, without the need for repeat form filling, checks and duplicate training.

57. Significant progress has been made towards this ambition with all staff groups being offered a limited scope, interim digital staff passport during the COVID-19 pandemic to enable temporary staff movements, alongside the extensive use of workforce sharing agreements (often referred to as MOUs). This has effectively acted as a national pilot, testing the use of decentralised ledger technology, the managed service requirements, interoperability with NHS Mail and the Electronic Staff Record (ESR), interim trusted frameworks and the demand for digital staff passports. We have been collaborating with the NHS BSA, HEE and other partners to launch the digital staff passport by August 2023 in 19 early adopter sites. Post-graduate doctors will be the first cohort of the workforce to adopt the digital staff passport towards their rotations in October 2023.

[21] https://www.england.nhs.uk/enabling-staff-movement-toolkit/
[22] https://transform.england.nhs.uk/information-governance/guidance/digital-staff-passport/

6. Retention Programme

58. Established in April 2020, our evidence-based Retention Programme has supported trusts and ICSs to increase workforce capacity by improving retention and staff experience.

59. Structured around the People Promise, the programme is helping to embed a consistent offer to improve the experience of all staff – recognising differences across generations in workplace needs, motivations and influences on intention to stay.

60. The Retention Programme[23] explores factors that affect job satisfaction and the reasons people decide to stay or leave the NHS, including what may trigger staff to consider leaving: work-related stress, line manager support, staff shortages, pay, mental health impacts and time pressure are strong drivers for leaving.

6.1 Progress to date

61. In year 1 the programme developed a universal component focusing on flexible working and health and wellbeing, which organisations and systems accessed virtually through the retention hub[24] – a digital repository of practical information, tools and case studies for trusts and systems. The programme also established intensive pathfinder sites in every region (74 trusts in 10 ICSs) with cross-system collaboration.

62. In year 2 the programme delivered:

- benchmarking tools for retention within the Model Health System,[25] enabling every ICS and organisation to review its own data, track improvement and benchmark against peers to ensure evidence-based improvement
- an updated national retention hub[26] extending the reach of ideas and positive retention practice

[23] https://www.england.nhs.uk/looking-after-our-people/
[24] https://www.england.nhs.uk/looking-after-our-people/
[25] https://www.england.nhs.uk/applications/model-hospital/
[26] https://www.england.nhs.uk/looking-after-our-people/

- significant engagement with the system, including through focus groups, webinars, masterclasses, discussions with the Royal College of Nursing, National Midwifery Council, Florence Nightingale Foundation[27] and Unison
- a retention guide for line managers and leaders[28] developed with NHS Employers and published in March 2022.

6.2 All staff retention trends

63. In July 2022, the largest annual leaver rate increase was identified in the staff group 'support to healthcare scientists' (5.5% increase). Corporate and administration, ambulance staff and support to ambulance staff showed the second greatest increase (2.8% to 3.1%).

64. The only staff groups to show a reduction in the annual leaver rate were support to nurses and support to allied health professionals (AHPs), which showed a -0.1% and -0.7% reduction in leaver rates respectively.

65. Across all staff groups, fewer people left the NHS throughout the COVID-19 pandemic, but since September 2021 the annual NHS leaver rates have been increasing month on month and are now higher than pre-pandemic levels. We believe the cumulative number of staff leavers since September 2021 exceeds the cumulative gains from the pandemic around the second quarter of 2022. Through the retention, health and wellbeing and other programmes, we developed and introduced a range of interventions to help mitigate, as far as we are able, the impact on leaver rates which potentially may have been higher without those interventions.

6.3 Nurse retention

66. Nurses are the NHS's largest single staff group. Due to increasing numbers of people with long-term or complex multiple conditions, nurses with varying skills are required to meet the needs of local populations.

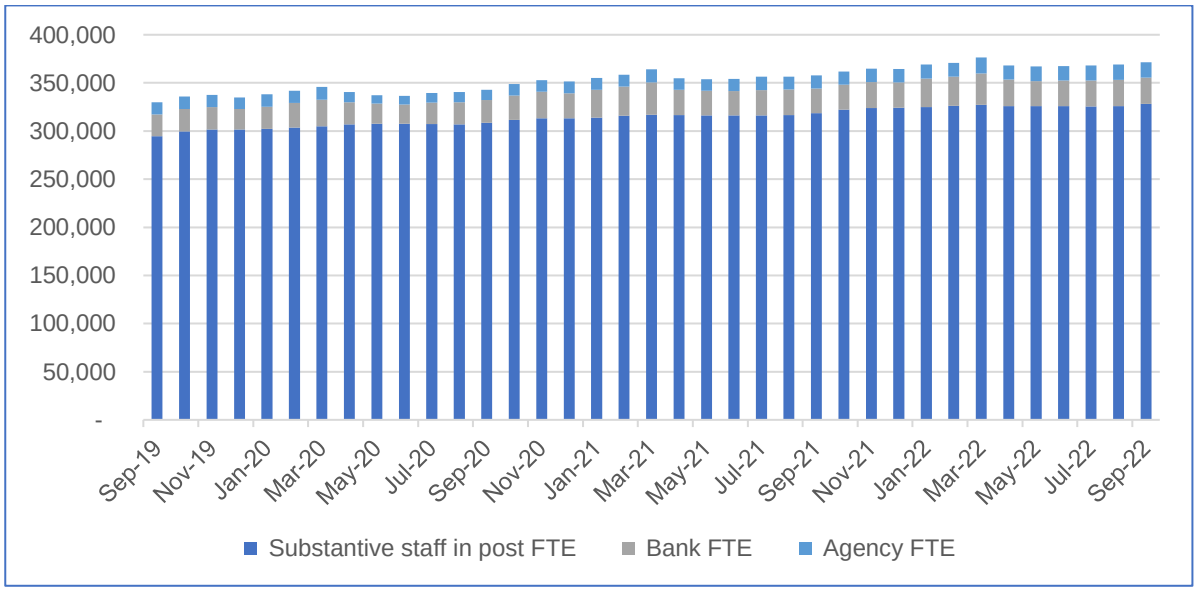
67. The full-time equivalent (FTE) nursing workforce position has improved and the nursing vacancy rate has fallen slightly (see Figure 6). However, significant

[27] https://florence-nightingale-foundation.org.uk/academy/policy-influence/subject-expert-groups/
[28] https://www.nhsemployers.org/publications/improving-staff-retention

shortages remain given the increasing demand and significant numbers of nurses leaving the NHS.

68. Figure 5 shows that between September 2019 and September 2022 the substantive nursing workforce increased by about 33,600 FTE (+11.4%). Over the same period the temporary nursing workforce increased by around 8,000 FTE (+22.9%) through a combination of high-cost agency (up by 26.8%) and bank nursing (up by 20.7%).

Figure 5: Registered nursing FTE



Source: NHS England monthly provider workforce return (NHS provider trusts only)

69. Over the past two years, the reported number of advanced nursing practitioner roles increased by 657 and specialist nursing practitioner roles by 4,208. These roles have continued to grow in line with the NHS Long Term Plan, which reflected the importance of such roles and how advanced clinical practice is central to transforming services and meeting local needs by enhancing capacity, capability, productivity and efficiency in multiprofessional teams.

70. In 2022/23 the programme is prioritising five high impact actions[29] with all NHS trusts, namely:

- completing the nationally developed retention self-assessment tool
- encouraging staff to attend pensions seminars to demystify NHS pensions

[29] https://www.england.nhs.uk/publication/retaining-our-nursing-and-midwifery-colleagues/

- implementing menopause guidance
- implementing the national preceptorship framework from September 2022
- implementing legacy mentoring schemes.

71. To help organisations prioritise these actions, the programme has produced resources that include a nursing and midwifery retention self-assessment tool[30], a supporting toolkit[31] (with NHS Employers), legacy mentoring[32] materials and a national preceptorship framework for nursing.[33]

72. We have published a guide[34] on engaging and retaining the healthcare support worker workforce.

73. To share experiences across the NHS, we have set up regional retention communities of practice[35] and published retention case studies.[36] The national programme will continue to work with regions and ICSs to deliver these priorities.

74. The NHS Staff Survey has shown a general upward trend in staff reporting satisfaction with opportunities to work flexibly. Apart from a slight decrease in 2021 (53.9%), satisfaction increased from 51.2% in 2016 to 57% in 2020. The reason for the decrease is not known but may partly reflect ways of working and staff experiences during the pandemic.

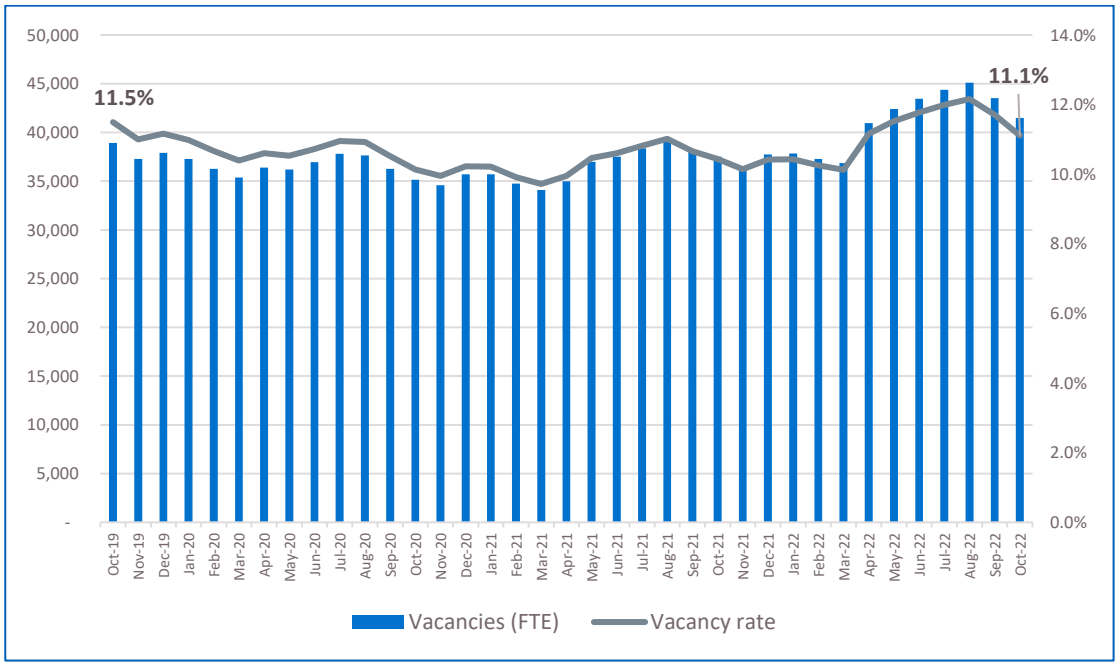
Nursing vacancies

75. Figure 6 shows that between October 2019 and October 2022 substantive nursing vacancies increased by about 2,600 FTE to c41,500FTE. However, owing to the growth in substantive nursing staff over the same period, the nursing vacancy rate has decreased from 11.5% to 11.1%. This size of workforce gap poses a significant operational challenge to NHS providers, particularly those with

[30] https://www.england.nhs.uk/publication/nursing-and-midwifery-retention-self-assessment-tool/
[31] https://www.nhsemployers.org/publications/improving-retention-registered-nurses-and-midwives
[32] https://www.england.nhs.uk/looking-after-our-people/supporting-people-in-early-and-late-career/legacy-mentoring/
[33] https://www.england.nhs.uk/publication/national-preceptorship-framework-for-nursing/
[34] https://www.england.nhs.uk/nursingmidwifery/healthcare-support-worker-programme/a-guide-to-retaining-your-healthcare-support-worker-workforce/
[35] https://www.england.nhs.uk/looking-after-our-people/our-pathfinders/
[36] https://www.england.nhs.uk/looking-after-our-people/looking-after-our-people-case-studies/

especially high vacancy rates. The REAL Centre[37] reported the UK is below the OECD average for the number of practising nurses.

Figure 6: National nursing vacancies



Source: NHS England monthly provider workforce return (NHS provider trusts only)

76. The most recent data[38] shows more nurses from overseas are joining the NHS: over 18,000 FTE in the 12 months to June 2022. This level of recruitment is expected to continue until at least the end of the 50,000 Nurses Programme in March 2024.

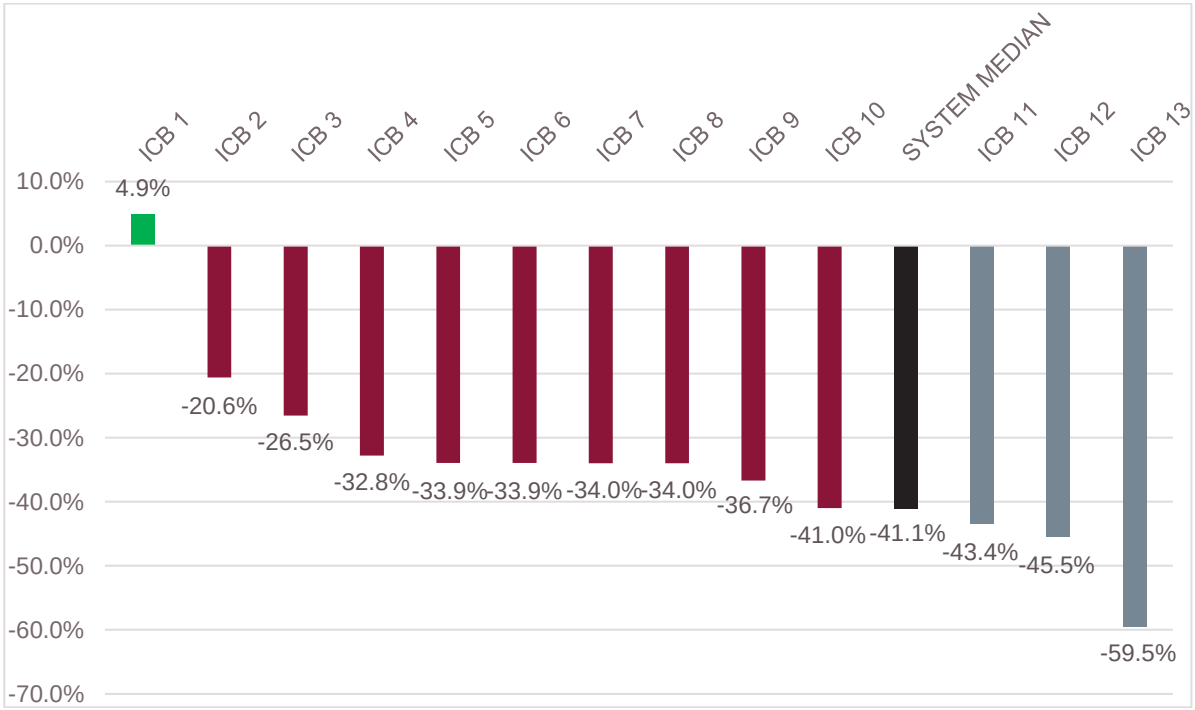
Nurse retention trends

77. Although the number of nurses leaving the NHS is lower than during the pandemic, since September 2021 the annual NHS leaver rate has increased and is now higher than pre-pandemic levels, at 7.6% in August 2022 compared to 6.8% in August 2019 (Figure 7).

[37] https://www.health.org.uk/publications/nhs-workforce-projections-2022

[38] https://files.digital.nhs.uk/20/C889B6/HCHS%20staff%20in%20NHS%20Trusts%20and%20core%20orgs%20June%202022%20-%20Turnover%20tables.xlsx

Figure 7: Percentage change in nurse lever rates December 2020 to July 2022



Source: NHS England Enhanced Health and Wellbeing Programme[39]

78. Our aim is to retain our qualified nurses, particularly those in late stage career who may decide to retire earlier than they planned to. Many factors influence a decision to leave the NHS; see the Annex. The NHS Staff Survey shows that 34% of nurses often think about leaving, 52% had felt unwell as a result work related stress and 40% felt burnt out because of their work. Pay and reward now appears in the top five reasons for leaving. With uncertainty about their combined impact, the risk to retention remains high. The King's Fund[40] suggests that the current increase is being driven by younger nurses leaving the NHS in the greatest numbers.

79. Significant nurse shortages remain despite growth in this workforce – mainly driven by international nurses – and a slight reduction in vacancies. Retention of nurses improved throughout the pandemic, but leaver rates are now higher than pre-pandemic, at 7.6% in August 2022 compared to 6.8% in August 2019.

80. In 2019, government announced it would increase the number of nurses in the NHS by 50,000 by 31 March 2024. The Health Foundation's REAL Centre NHS

[39] https://www.england.nhs.uk/supporting-our-nhs-people/health-and-wellbeing-programmes/enhanced-health-and-wellbeing-pilots/
[40] https://www.kingsfund.org.uk/blog/2022/10/nhs-nursing-workforce

workforce projections 2022[41] indicate the 50,000 target is on track given a recent sustained increase in international nurse recruitment, mainly in the acute hospital sector. In October 2022 NHS England launched a nurse recruitment drive.[42] However, currently growth does not match demand for care or current vacancies, and there is substantial uncertainty around nurse retention as leaver rates are at a historical high.

6.4 AHP retention

81. Allied health professionals (AHPs) are the NHS's third largest clinical workforce. They are mainly degree-level professionals and professionally autonomous practitioners.

82. AHPs are central to meeting the changing demand the NHS faces from our growing and ageing population and the expanding frontiers of science and innovation. They are instrumental in delivering person-centred, evidence-based care as clinical leaders and practitioners. Their expertise is key to the shift from an over-reliance on hospitals and unnecessary care costs, which is vital to ensuring the sustainability of future services.

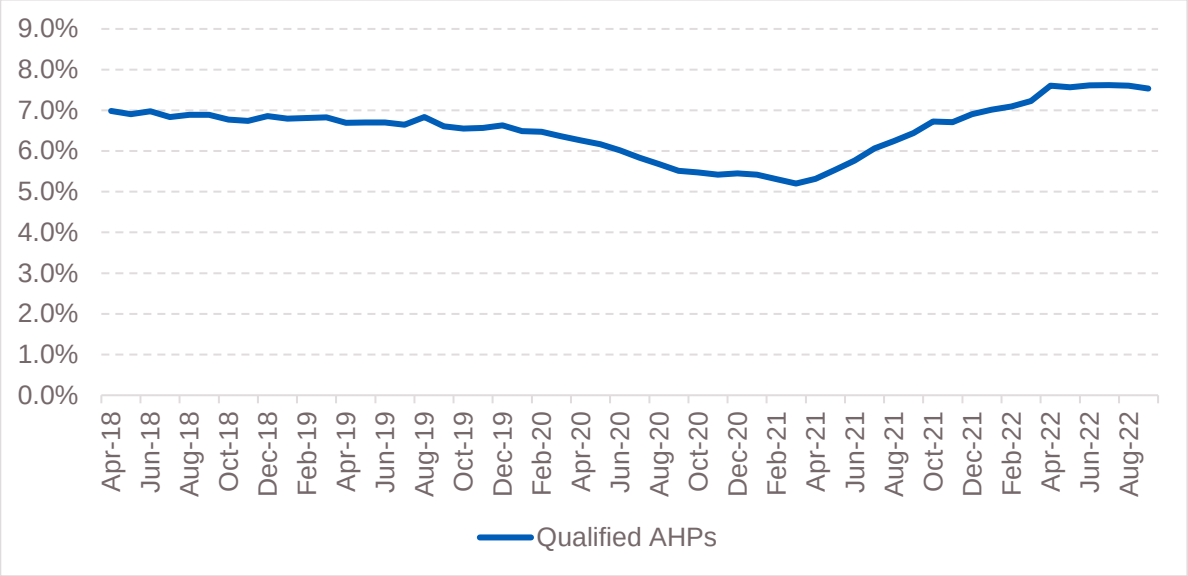
AHP leaver rates

83. NHS AHP leaver rates are increasing (7.6% at July 2022) and are now at their highest level in the last three years. The main reasons for leaving are relocation, pay/reward and voluntary resignation for unknown reasons.

84. We know leaver and turnover rates are significantly higher at the start of an AHP's career and as they approach retirement. Of leavers in the first five years of their career, 44% quit the NHS and 45% change post within it.

[41] https://www.health.org.uk/publications/nhs-workforce-projections-2022
[42] https://www.england.nhs.uk/2022/10/nhs-launches-recruitment-drive-for-tens-of-thousands-of-nurses-amid-record-staff-vacancies/

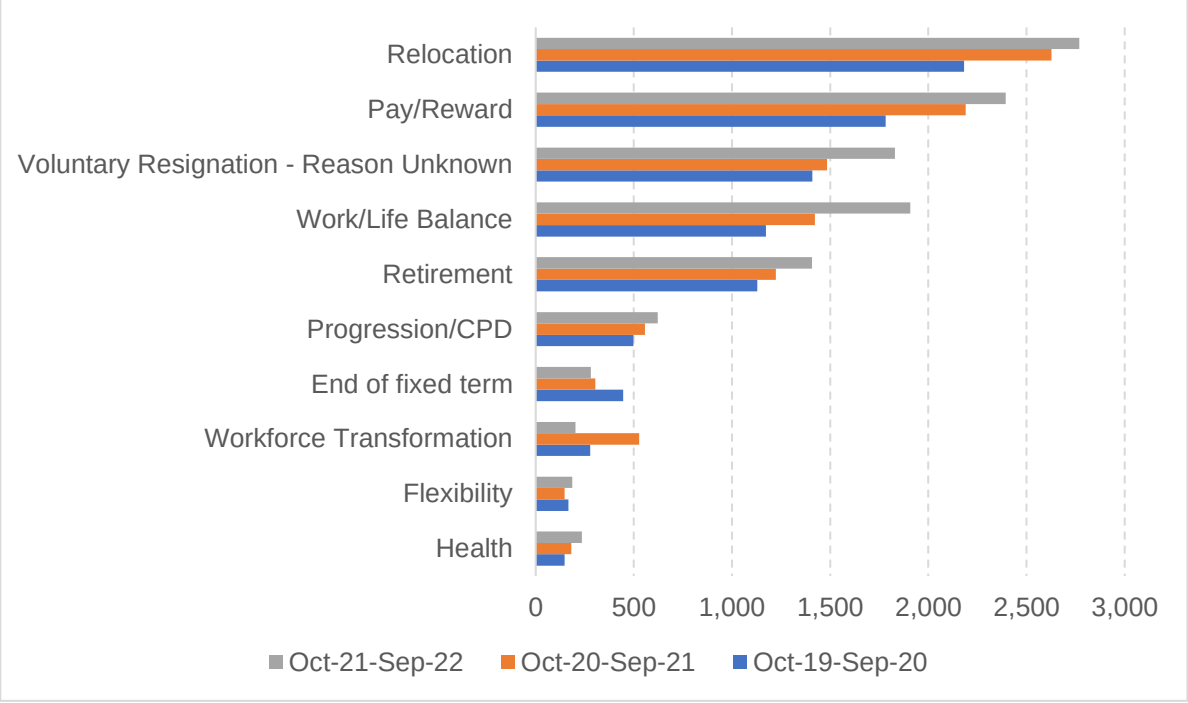
Figure 8: Qualified AHPs 12-month rolling leaver rate



Source: ESR data processed by Health Education England

85. More AHPs are citing 'pay and reward' and 'work-life balance' as their reason for leaving the NHS (Figure 9).

Figure 9: Qualified AHPs top 10 reasons for leaving

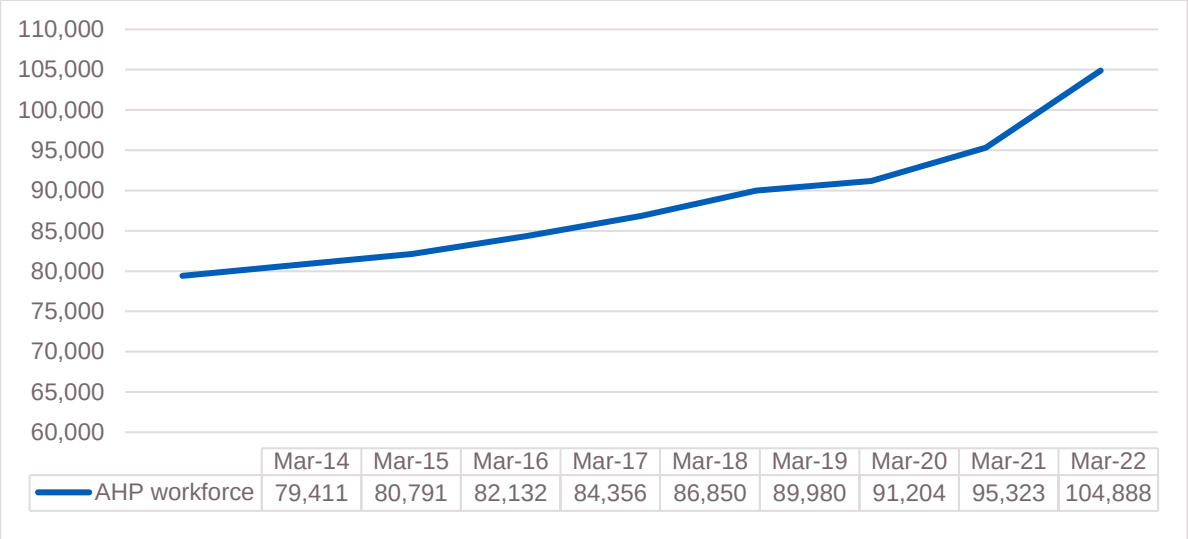


Source: ESR

86. This trend is reflected in a recent survey of AHPs to better understand why they choose to stay or leave the NHS: 69% had thought about leaving their job in the

previous three months, with 38% of those looking for jobs outside the NHS. The latter were mainly looking at private practice, academic and research roles. Alongside greater earning potential, they are seeking flexibility and the ability to make a greater impact for patients. The main factors for wanting to leave the NHS include workload/case load, work-life balance and not feeling valued.

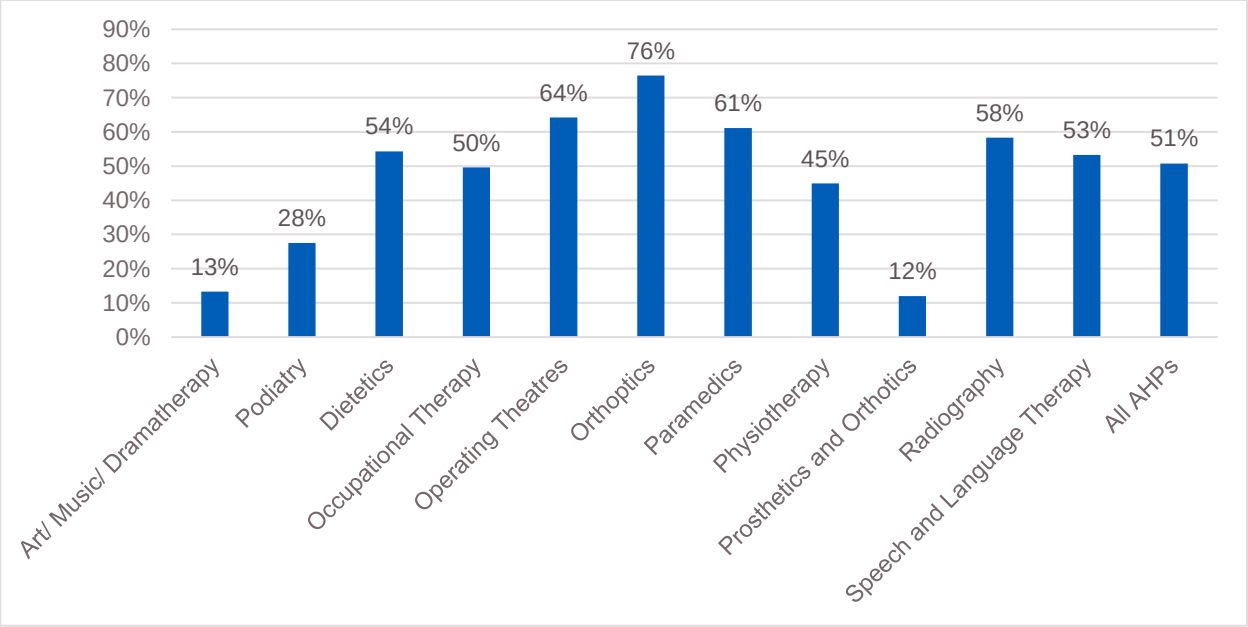
Figure 10: AHP workforce – FTE



	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
AHP workforce	79,411	80,791	82,132	84,356	86,850	89,980	91,204	95,323	104,888

Source: NHS Digital official published workforce statistics

Figure 11: NHS headcount – percentage of UK HCPC registrants March 2022



Source: Health and Care Professions Council register

87. Vacancy rates across professions vary substantially. All are 7.41% or above except osteopathy. Rates are higher in podiatry, occupational therapy, art/music/dramatherapy and diagnostic radiography, which poses an operational challenge for services (Table 2).

Table 2: Vacancy rates – staffing data taken from NHS Digital and vacancy FTE from NHS England provider workforce return (PWR), July 2022

AHP vacancies	Staff in post	Vacancy FTE	Calculated establishment	Vacancy rate
001_Chiropody/ podiatry	2,562	394	2,955	13.33%
002_Dietetics	4,638	525	5,163	10.16%
003_Occupational Therapy	15,894	2,474	18,368	13.47%
004_Orthoptics/ optics	1,676	134	1,810	7.41%
005_Physiotherapy	21,838	2,134	23,972	8.90%
006_Radiography (diagnostic)	15,961	2,504	18,465	13.56%
007_Radiography (therapeutic)	2,914	258	3,172	8.12%
008_Art/Music/ Dramatherapy	455	111	565	19.56%
009_Prosthetics and Orthotics	138	-	138	0.00%
010_Speech & language therapy	6,801	697	7,498	9.30%
011_Operating theatres	8,229	746	8,975	8.31%
012_Osteopathy	14	-	14	0.00%
Paramedics	13,997	1,374	15,371	8.94%
Total	**95,117**	**11,351**	**106,468**	**10.66%**

Source: NHS Digital

AHP retention support

88. We have developed the National AHPs Workforce Improvement Framework[43] to secure the effective supply, deployment and development of AHPs across professions and geography.

6.5 Midwifery retention support

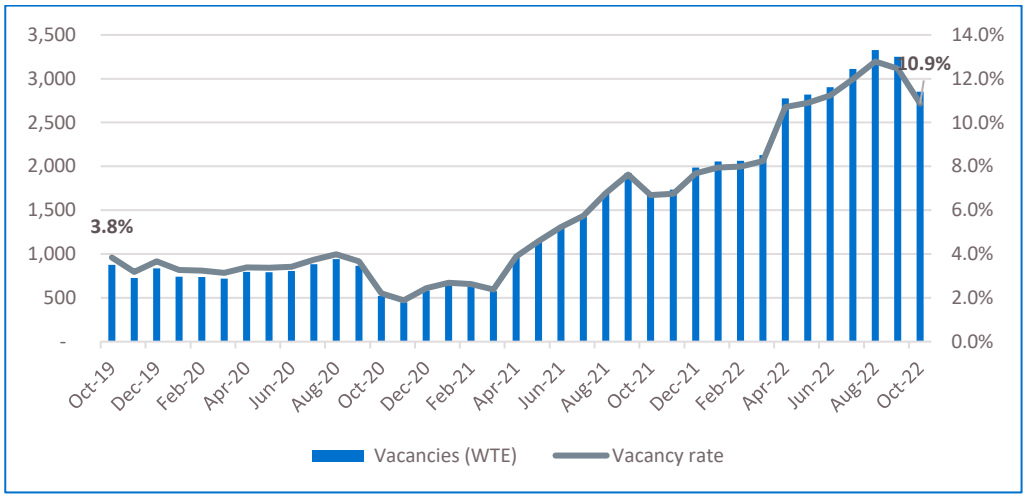
89. The Midwifery Retention Programme develops high quality education and learning and facilitates regional network forums and drop-in surgeries to share best practice on health and wellbeing, flexible working, Freedom To Speak Up, menopause and legacy mentoring. In addition, it has provided diagnostic support to 51 trusts, producing bespoke data packs and other resources. We have also set up a peer-led network for directors and heads of midwifery to share intelligence, build relationships and promote early development. We will launch a national preceptorship standards framework for midwifery in January 2023.

National midwifery vacancies

90. Figure 12 shows that between October 2019 and October 2022 substantive midwifery vacancies increased by 1,975 FTE to 2,852 FTE, a vacancy rate increase from 3.8% to 10.9%. This has been driven predominately by the increase in the number of midwifery posts being established following the Ockenden review recommendations in Spring 2021. However, the substantive workforce has yet to increase at the same rate and at October 2022 there were a reported 430 WTE fewer midwives in post than in October 2021. This size of the workforce gap poses a significant operational challenge to NHS providers. Our aim is to retain our midwives, particularly those in late stage career who may decide to retire earlier than they planned. Many factors influence a decision to leave the NHS; see Table 3 in the Annex. Pay and reward now appears in the top five reasons.

[43] https://www.england.nhs.uk/ahp/ahps-into-action/

Figure 12: National midwifery vacancies



6.6 Ambulance services staff retention support

91. While improvements have been made, staff survey results in ambulance trusts are far below those of other NHS organisations. While preceptorship exists for paramedics, a significant proportion of paramedics leave after two to three years. We continue to see sustained high leaver rates across call handlers, and we know a high volume of call handlers leave within their first year – most are under 30.

92. In addition to local action, nationally we have supported ambulance trusts by developing a clear evidence-based understanding of retention issues, a 'stay' interview framework and guidance, a drive on apprenticeships, general training and preceptorship, and scoping for further in-depth investigations, including into recruitment and induction practices.

7. Reducing agency spend and temporary staffing

93. Increasing demand and vacancies are driving the increased use of temporary staffing (both agency and bank) – £2.9 billion at the end of 2021/22. Our aim is to increase the substantive workforce by bearing down on expensive agency costs. We are supporting trusts to promote the use of their trust banks and the development of collaborative banks across systems, to move towards a more sustainable model of temporary staffing. We want to find the most cost-effective

way to ensure the NHS has an effective and affordable flexible staffing solution for all staff groups

94. The NHS has made progress in optimising temporary staffing spend despite workforce and capacity shortages. The increase in bank spend reflects the flexibility needed to meet fluctuating demand.

95. The NHS Long Term Plan contains further measures to help improve the quality of care and value for money from the temporary workforce, which includes ensuring all agency staff are supplied using an approved procurement framework.

96. NHS England reintroduced measures in September 2022 to control agency expenditure, including an integrated care board (ICB) agency expenditure limit (agency celling only is monitored within the ICSs). Metrics to monitor agency usage are included in the NHS Oversight Framework, which reinforce the rules that NHS trusts and foundation trusts should comply with.

97. Total agency spend, through the introduction of the price caps as part of a wider package of agency controls in 2016, has reduced spend by about £600 million from a peak of £3.6 billion in 2015/16 to £3 billion at the end of 2021/22. Despite this £600 million cost reduction, continuing increases in demand for workforce during the pandemic have resulted in an increase in agency spend as a percentage of wage bill from 4.0% in 2019/20 to 4.3% by the end of 2021/22. Total agency spend as a percentage of total wage bill was 7.9% in 2015/16.

98. The reduction from previous levels has largely been achieved by reducing the proportion of shifts filled by agency staff across all temporary staffing shifts from 26% in 2018/19 to 23% in 2021/22.

99. The proportion of agency spend (excluding medical and dental) as a share of overall temporary staffing has fallen from 38% in 2017/18 to 33% in 2021/22, reflecting the percentage rise over this period in temporary shifts procured through a bank.

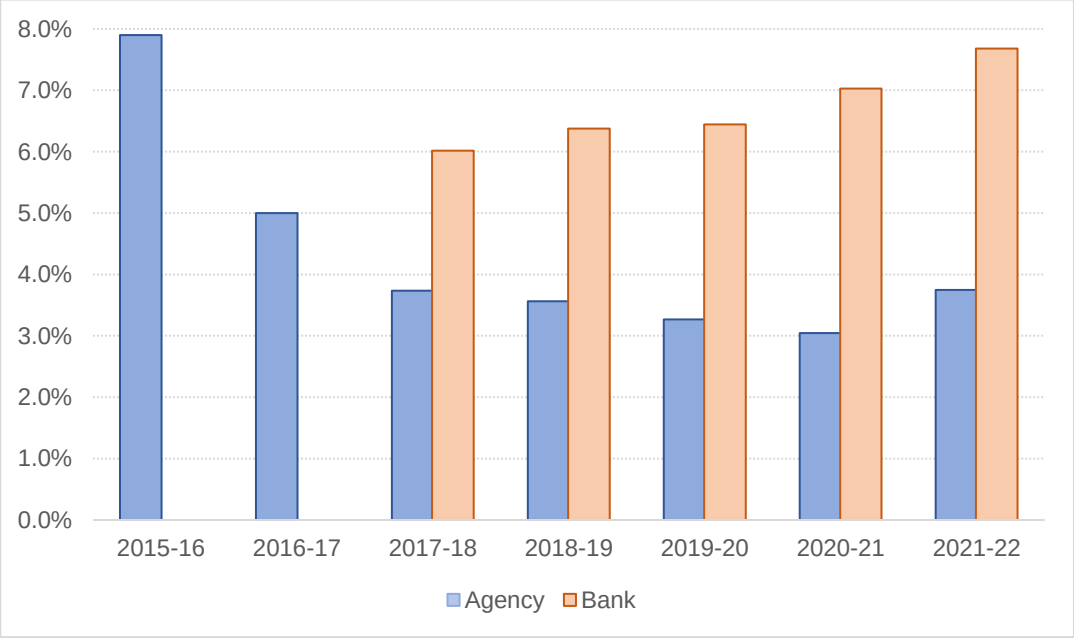
100. Agency shifts (excluding medical and dental) have decreased from 22% in 2018/19 to 21% in 2021/22, while bank shifts (excluding medical and dental) have increased from 78% to 79% over the same period, reflecting our strategy to procure more of the NHS's temporary staffing through internal staff banks.

101. Bank staff spend (excluding medical and dental) as a percentage of temporary staffing spend has risen from 62% in 2017/18 to 67% in 2021/22 (Figure 14).

102. There are 77 trusts in a collaborative bank arrangement, with 27 such arrangements set up. This is a 56% increase since the People Plan was published in September 2020. A further 28 trusts are planning to join.

103. Of the 42 ICSs, 27 have a collaborative bank, with each of the seven regions having one. Collaborative banks enable ICSs to work in partnership to make the most effective use of available resources.

Figure 13: Temporary staffing (excluding medical and dental) as % of total wage bill



Source: Internal reporting requirements informed by trusts' monthly finance and staffing submissions

104. The temporary staffing programme contributes to several initiatives described in the NHS Long Term Plan. Workstreams are reducing off-framework supply into the NHS; supporting trusts to improve price cap compliance and helping accelerate the Bank Programme.

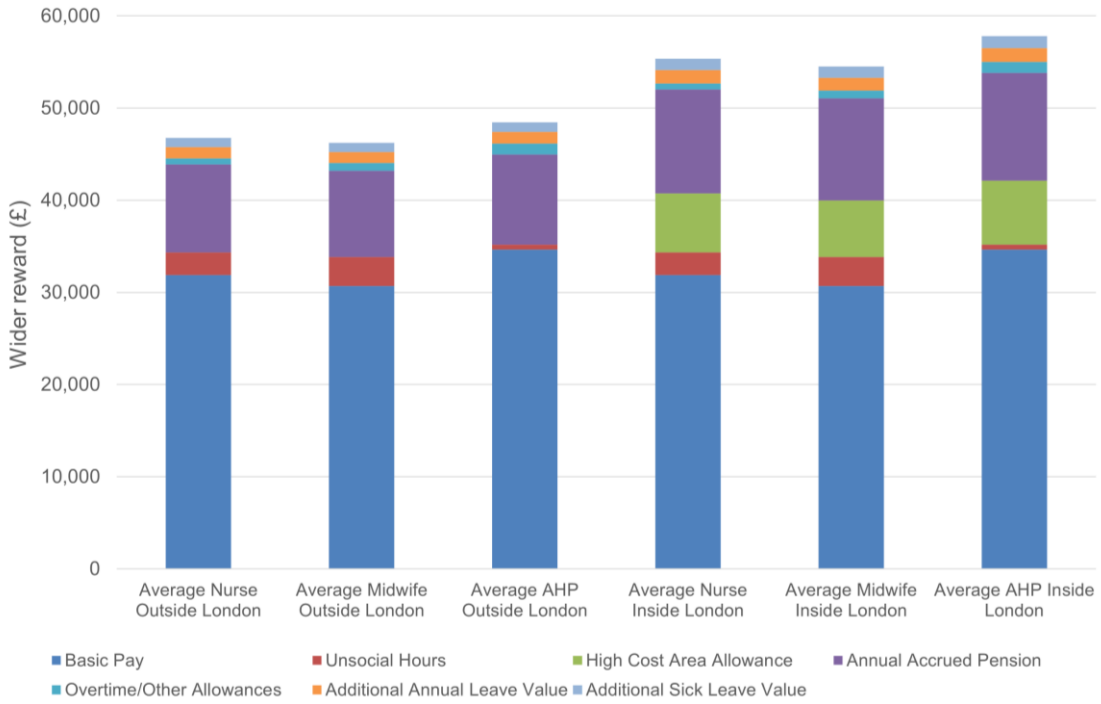
105. The control measures reintroduced from September 2022 for agency expenditure focus on internal banks as the way to provide for the NHS's temporary staffing needs. As part of this, there is an increasing focus on collaborative banks across ICSs as part of the Bank Programme.

8. The total reward offer

106. The total NHS employment reward offer available to staff is made up of pay and non-pay benefits. The Department of Health and Social Care (DHSC) has set out in successive Pay Review Body evidence the value of the NHS reward package, developed by government Actuary's Department, for medical and non-medical staff: the value of basic pay, out-of-hours and on-call payments, annual accrued pension, extra sessions worked and weekend allowances. It also includes additional leave over the statutory minimum and additional sick leave over statutory sick pay.

107. Our aim is to collaborate with our partners to support trusts to raise the profile of the value of the overall NHS employment offer, both the pay and non-pay benefits, including the NHS Pension Scheme, to attract, recruit, retain and encourage staff to return to the NHS after retirement.

Figure 14: Value of nurses, midwives and AHPs' total reward package (£)



Source: Government Actuary's Department

8.1 Employee value proposition (EVP)

108. In the NHS Constitution, the NHS states its ambition for staff – the rights and obligations it aims to deliver for them, supported by the People Promise values

and commitments, which include how staff should feel about working in the NHS, by 2024. EVP goes beyond the total reward elements of pay, pensions and benefits to the core values, mission and aims of an organisation, influencing staff engagement, wellbeing, culture, learning and development, and leadership.

109. We are drawing on research evidence to develop and test with our People Promise exemplar sites the impact of communicating the value of the NHS employment offer across a career, eg in the early years after recruiting staff when attrition is high in some groups, through to ensuring staff understand how the pension scheme can help them work flexibly, wind down into retirement, and retire from and then return to the NHS. We will work with ICSs, ambulance trusts and the People Promise exemplar sites to test how the EVP framework can support organisations to attract staff, persuading them to choose a career in health and care.

8.2 Staff recognition framework

110. Drawing on research evidence we are working with NHS organisations and academics to develop a staff recognition framework. We plan to publish the framework in early 2023 and will test it with the exemplar sites and ambulance trusts. Our aim is to help health and care leaders and managers improve their understanding of and approaches to staff recognition. The aim is to reduce unwanted variation in how staff are recognised at work.

111. While the contractual pay and benefits offer to staff is important and needs to be competitive, this is only one component of the wider employment offer. As important is the value staff place on the experiential and emotional aspects of working in health and care, having a meaningful career and development opportunities, along with a shared sense of belonging, purpose and culture.

8.3 NHS Pension Scheme and reform

112. Our Pensions Response Project was established to identify how the NHS Pension Scheme (NHSPS) could better support the attraction, recruitment, retention and return of our NHS staff. The NHSPS has over 1.7 million members, who pay on average 9.8% in employee contributions; the employer contribution rate is 20.6%. It is important that this significant investment available to staff, guaranteed by

government and at a cost that staff would find difficult to replicate outside the NHS, is better communicated to staff and employers.

113. Through focus groups and surveys, we found that most staff understood that the NHSPS is a good scheme but were less clear about why and how it works, and they did not fully appreciate how competitive it is and its value to them and their loved ones.

114. How staff want to receive pension information depends on their career stage. Older staff prefer to speak to a pension expert face to face, while younger staff are happy to rely on digital information provided it is simple and clear. Staff want the opportunity to ask questions about the scheme and have their questions answered on the day.

115. Since 2021, we have led pension seminars to help staff understand the value of NHSPS membership as part of their overall NHS employment offer. We are strengthening links with pension leaders in NHS Business Services Authority (NHSBSA), an organisation that can use its economies of scale and expertise to help staff better understand how the scheme works, the interaction with pensions tax and the benefits for most if they continue to build pension savings.

116. Our focus has been on retaining clinical staff in late career, those who may choose to retire voluntarily or who have the special right to retire at age 55 without reducing their pension (nurses, midwives and health visitors who retain the reserved rights that were withdrawn from 6 March 1995).

117. Since autumn 2021, over 300 staff pension seminars and pension masterclasses have been offered to over 10,000 staff (nurses, midwives, AHPs, consultants and GPs).

118. The seminars ranged from explaining the basics to one-to-one sessions explaining how pensions tax works and, for most, the benefits of paying pensions tax charges. Since October 2022, nurses, midwives and AHPs in late career (aged 50 or older) have been offered bespoke staff seminars. Nearly 6,000 staff have attended over 160 seminars run so far.

119. Qualitative evidence is based on a brief questionnaire that staff are asked to complete before and after each seminar. The questions measure improvement in understanding and whether staff might behave differently. Most of those who

complete the survey say they have greater understanding after the seminar. We are also embarking on a smaller study to track the retirement intentions of those who attend the seminars over the longer term.

NHS Pension Scheme reform

120. Work-life balance and flexibility around retirement are key concerns for staff. Encouraging them to prolong their working lives is critical to increasing capacity for patient care. DHSC and NHS England have together explored pension reforms that best position the NHSPS to attract, retain and encourage staff to return to the NHS: introducing strong financial incentives and facilitating a smooth transition that allows staff to remain in work while drawing their pension savings.

121. From 5 December 2002 DHSC began a consultation on changes to the 1995 Section of the NHSPS[44] to incentivise staff to remain in the workforce. New legislation will introduce partial retirement, allowing members to draw between 20% and 100% of their 1995 Section benefits and continue without a break to work as many hours as they wish. To be eligible staff must reduce their pensionable pay by 10%; GPs must reduce their commitment by 10%. Those who return to work in the NHS after retirement, including those who have already done so, will be able to rejoin the 2015 Scheme and build further pension benefits. These important reforms are expected become effective during 2023. Staff will be able to access their pension savings while continuing to work, retaining both their pension and salary. More detail can be found in DHSC's written evidence.

122. In parallel, we and NHS Employers will together explore how best to support employers offer staff greater flexibility over pensionable employment contracts. This additional support could complement new flexible retirement rules and help staff manage anxieties over pensions tax.

8.5 Pensions tax

123. The impact of pension tax charges appears to be influencing staff behaviour. Some staff say they feel they are being penalised for working hard for patients. Some staff may make counter-intuitive decisions to reduce their commitment,

[44] https://www.gov.uk/government/consultations/nhs-pension-scheme-proposed-amendments-to-scheme-regulations

retire or leave altogether because they misunderstand the tax rules or feel they should not have to pay a tax charge.

124. Pension tax rules do allow relief on pension growth of up to £40,000 in any one tax year. Tax is payable but only on the excess after £40,000. Members do not have to pay the tax charge immediately; they can meet the cost through 'scheme pays'.[45] For most NHSPS members, remaining a member and paying the tax charge may be the right decision. However, for the minority, opting out of the NHSPS may be a sound financial decision.

125. NHS England and DHSC, working with NHS Employers at the request of the previous Secretary of State for Health, were asked to develop options on recycling employer pension contributions into the pay of staff for whom opting out of the NHSPS, due to pensions tax, may be a sound financial decision. Employer contribution recycling is already within the gift of employers and is used by some to help retain the staff they need.

126. Working with our key partners, DHSC, NHS Employers and NHSBSA, our aim is to reposition the NHSPS as a valuable part of the overall NHS employment offer. The NHS Pension Response Project is part of wider initiatives that together help attract, recruit, retain and encourage staff to return to the NHS.

127. Learning from the NHS Response Project will inform how we and our partners support ICSs to build reward expertise, helping them create innovative ways to communicate and embed the value of the employment offer, including pensions, as part of local people plans.

9. Evidence summary

128. The NHS is now seeing increasing leaver rates after they fell dramatically during the pandemic, and the NHS Staff Survey shows falling positive staff experience results. The People Promise workstreams are looking to address these challenges.

[45] https://www.nhsbsa.nhs.uk/sites/default/files/2021-03/NHS%20Pension%20Scheme%20Pays%20V4.1%2001.2021.pdf

129. Supporting staff health and wellbeing will be essential for the transformation needed to achieve the NHS Long Term Plan's new care models to meet an ageing population's care needs. The size and shape of the workforce and the skills of staff will need to shift to bring these changes.

130. Pay remains the largest component of NHS costs and therefore pay inflation represents a material cost pressure to the NHS. This pressure, if not supported by additional investment, will result in difficult trade-offs during the year on staffing numbers, initiatives to support staff and the ability of the NHS to deliver on its key strategic priorities – the NHS Long Term Plan ambitions, reducing the elective backlog, bearing down on the increased use of expensive agencies, tackling high sickness absence levels and improving staff experience.

Annex: NHS Staff Survey

Staff survey methodology

131. In-depth analysis of over 18,000 free-text comments collected in July 2022 shows that colleagues are concerned about their health and wellbeing due to staff shortages causing them stress and feeling unrecognised for their efforts.

132. Staff engagement is a well-evidenced indicator that has been tracked through the annual NHS Staff Survey for many years, and from 2021/22 it is also measured quarterly for all trusts. It is made up of three sub-themes: motivation, involvement and advocacy. We examined links between the engagement of staff working in the NHS in England and a variety of individual and organisational outcome measures within trusts.

133. Using a fixed-effects model with 2019 data, we found staff engagement has a positive and statistically significant impact on trusts' outcome measures. In particular, trusts with a higher level of staff engagement are likely to have lower sickness absence, MRSA and mortality rates, and higher recommended rate and lower unrecommended rate in the inpatient satisfaction survey.

134. Through correctional analysis, we found a strong correlation between this employee engagement theme and patient safety questions in the NHS Staff Survey, as well as moderate correlation with the patient experience questions.

Supporting data, reasons for leaving

Table 3: Reported reasons for leaving by staff group

Reasons for Leaving FTE by Staff Group				
Staff group	**Reason for leaving**	**Date range**		
		Oct-19-Sep-20	**Oct-20-Sep-21**	**Oct-21-Sep-22**
AHPs	Relocation	2,182	2,627	2,769
	Pay/Reward	1,783	2,191	2,394
	Voluntary Resignation - Reason Unknown	1,409	1,485	1,829
	Work/Life Balance	1,173	1,423	1,908
	Retirement	1,128	1,222	1,407
	Progression/CPD	498	557	622
	Workforce Transformation	278	527	202

	End of fixed term	445	303	280
	Health	148	181	236
	Flexibility	166	147	186
	Dismissal	91	87	82
	Incompatible working relationships	70	76	91
	Death in service	30	43	35
	Other	16	20	29
	Pregnancy	2	1	2
Midwives	Retirement	626	724	857
	Relocation	514	581	569
	Work/Life Balance	290	365	514
	Voluntary Resignation - Reason Unknown	239	338	383
	Pay/Reward	139	199	223
	Workforce Transformation	16	165	32
	Progression/CPD	53	83	78
	Health	64	68	70
	Flexibility	47	42	47
	End of fixed term	51	33	22
	Dismissal	38	30	31
	Incompatible working relationships	14	16	24
	Other	9	6	9
	Death in service	16	6	14
	Pregnancy	1		
Qualified ambulance staff	Voluntary Resignation - Reason Unknown	311	417	516
	Relocation	267	300	295
	Retirement	186	190	286
	Work/Life Balance	139	155	276
	Pay/Reward	98	139	236
	Progression/CPD	46	50	121
	Health	44	49	59
	Dismissal	42	39	72
	Incompatible working relationships	20	17	26
	Workforce Transformation	8	15	9
	Death in service	18	15	11
	Flexibility	7	7	17
	Other	4	4	8
	End of fixed term	3	3	5
	Pregnancy			1
Registered nurses	Retirement	6,956	7,641	8,954
	Relocation	5,885	6,942	7,409

	Voluntary Resignation - Reason Unknown	4,791	5,164	5,692
	Work/Life Balance	4,469	5,001	6,204
	Pay/Reward	3,582	4,389	4,980
	Workforce Transformation	2,032	1,963	696
	Progression/CPD	1,022	1,155	1,107
	End of fixed term	1,145	964	779
	Health	780	900	1,046
	Flexibility	707	697	847
	Dismissal	518	459	413
	Incompatible working relationships	304	268	339
	Death in service	224	226	192
	Other	136	119	106
	Pregnancy	8	2	6

Source: Internal, unpublished reporting from Electronic Staff Records data

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