Research – supplement
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Staffing matters; funding counts – Pressure point: Student nurses

The impact of the change in student nurse bursary arrangements on the future supply of student nurses

The Health Foundation

About this supplement

This supplement is produced to accompany the report *Staffing matters; funding counts: Workforce profile and trends in the English NHS.*

During the research to inform the report, six particular pressure points were identified for the workforce of the NHS in England. The pressure points were chosen based on feedback from a stakeholder roundtable, held in October 2015, and analysis of recent policy reports.

The pressure points are:

- the proposed changes to nurse bursaries
- international recruitment to fill vacancies
- the recruitment and retention of GPs
- the potential of physician associates
- the potential of nursing associates
- the use of temporary and agency workers.

These pressure points need to be addressed if the health service is to have access to the staff it needs to deliver high quality care.

In addition to the discussion in *Staffing matters; funding counts*, more detailed information and analysis about each of these pressure points is available as part of a series of supplements, from www.health.org.uk/publication/staffing-matters-funding-counts.

Please note: While the focus of this supplement is on England, some of the national/international data sets are at UK level. Where UK data is reported, it should be remembered that the NHS in England is by far the largest component, employing approximately four in every five NHS staff in the UK.

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The impact of the change in student nurse bursary arrangements on the future supply of student nurses

Student nurses: The issue

The government has announced that, from 1 August 2017, new nursing, midwifery and allied health students will no longer receive NHS bursaries. Instead, they will have access to the same student loans system as other higher education students. In essence the change will remove the bursary funding cap on the number of training places that can be made available to suitably qualified applicants in England. The government claims that the new system will provide:

- more nurses, midwives and allied health professionals for the NHS
- a better funding system for health students in England
- a sustainable model for universities.[1]

Health Education England (HEE), which is responsible for making recommendations on pre-registration intakes for nursing and midwifery, as well as other health professions in England, has stated that this represents 'fundamental changes to under graduate supply planned for 2017'.[2]

While the changes apply to nursing, midwifery and allied health students, this paper focuses on student nurses in particular.

Applications/applicants to pre-registration nurse education have outstripped available funded places in recent years. The government reported in late 2015 that 'last year we turned away 37,000 applicants to nurse training places, even though we would have liked to have taken on a great number of them'.[3] This point was then used to argue that the new funding approach will enable universities to provide 'up to 10,000 additional nursing, midwifery and allied health training places over this parliament'.[1]

Initial responses from stakeholders showed that the proposal was controversial. The Royal College of Nursing and Royal College of Midwives both raised concerns about the negative impact on mature entrants and those from lower income backgrounds. In contrast the change was welcomed by Universities UK and the Council of Deans of Health as a means of increasing student nurse numbers.[4] A consultation on how the proposed reforms can be successfully implemented ran from 6 April to 30 June 2016.[5]

The NHS Pay Review Body (PRB) noted that removal of the student bursary for nurses in England and the shift to a more demand-led system could over time lead to a better match between demand and supply. However, the removal of the incentive of the bursary could have 'an unsettling effect' on the number and quality of applications for nursing training places in the early years. In addition, the reduction of net pay in the early years, as nurses

repay their loans, 'will make the employment package and medium to long-term reward offer an important factor in attracting high calibre students who are choosing between courses and career options.'[6] The Migration Advisory Committee noted that evidence was mixed as to the impact of removing bursaries on the supply of nurses.[7] In their review of NHS clinical staffing, published May 2016, the Public Accounts Committee noted that 'there is no guarantee' that numbers of applicants would continue to outstrip places if the funding system was reformed. The committee recommended that the Department of Health and HEE should assess the likely effect of the new funding system on rates of applications and report back in autumn 2018 after the first year of the new funding system.[8]

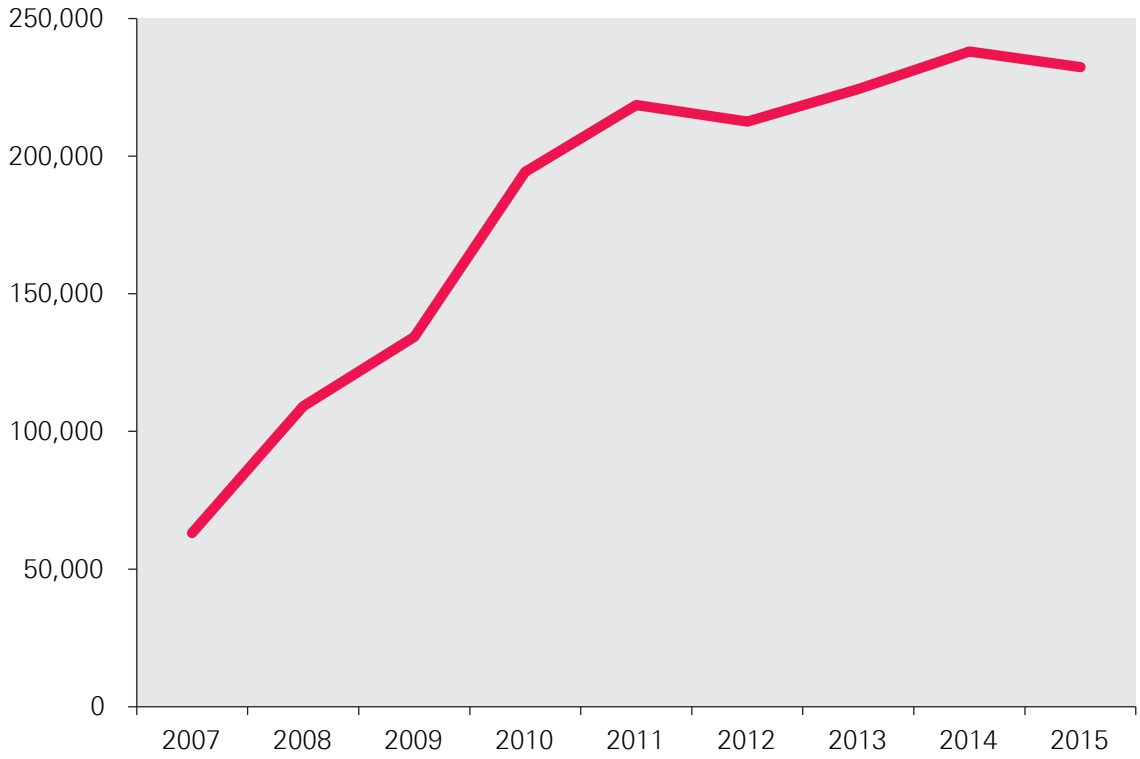
While the ending of bursaries represents a national policy change, there are local precedents. In February 2015 Lancashire Teaching Hospitals Foundation Trust and the University of Bolton launched the first degree course to offer student nursing places that are not commissioned and funded centrally. The aim is to help address local nursing shortages, with all students completing the programme being offered a job at the trust after graduation. The planned 50 students per year apply through UCAS and self-fund their study via the student loan system.[9] Other local NHS employers have subsequently joined the initiative.[10] Birmingham Children's Hospital NHS Foundation Trust and Birmingham City University have initiated a similar scheme, with a three-year course to train to become a registered children's nurse, and successful graduates offered a full-time permanent position. The places are not NHS-funded and students will be required to pay course fees and access finance via the Student Loans Company.[11]

Student nurses: The evidence

In recent years, applications/applicants for nurse education have outstripped funded places; this has been the expressed rationale for the announced removal of the cap. A more detailed examination of UK statistics provides a more detailed and nuanced context in which to assess the likely impact of the ending of the cap.

UK data shows that more than 2.89m applications were made by students seeking to enter undergraduate degree courses at higher education institutions in 2015. Around 8% (232,285) of all applications were made by students seeking to start a nursing degree course. However, while the overall number of applications rose by 2.4% compared with the previous year, nursing applications fell by the same amount – 2.4%. That is, there were almost 5,700 fewer applications for nursing compared with the peak (237,990) in 2014. There were markedly different trends across the UK, with falls of 2.9% in England and 1.6% in Northern Ireland, contrasting with a rise of 1.4% in Scotland and 4.8% in Wales (figure SN1).

Figure SN1: Applications for entry to nursing courses at higher education institutions in the UK, 2007–15



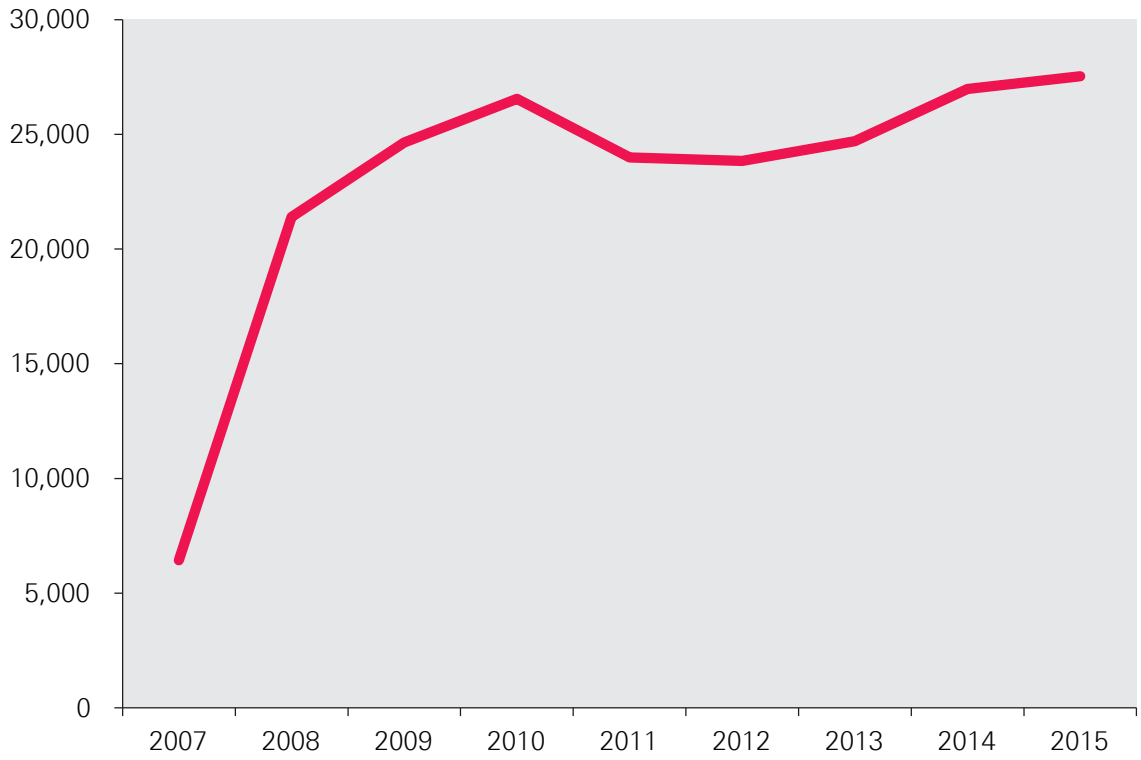
The overall figures include around 3.6% of applications from students outside the UK (6,545 applications from other EU countries and 1,840 from non-EU countries). Although applications from the EU make up a relatively small proportion of the total, the decline in EU applications over the past two years has been marked – a 16% fall from the peak of 7,810 in 2013.

Students can make up to five applications (reduced from six in 2008 and earlier years) to different courses or institutions. Unfortunately UCAS no longer publish data on actual applicant numbers at the detailed subject level. Past applicant numbers show that, for nursing, the number of applications per student has averaged 3.45 over the five years to 2012. Applying that ratio suggests that around 67,300 students applied for places in the UK in 2015 compared with an estimated 69,000 in 2014.

Despite the recent reversal in the long-term trend of sustained growth, student demand for education in nursing remains comparatively buoyant relative to other health care disciplines. For example, applications to pre-clinical medicine fell by 10.8%, dentistry by 11.9%, pharmacy 4.9% and medical technology 2.8%.

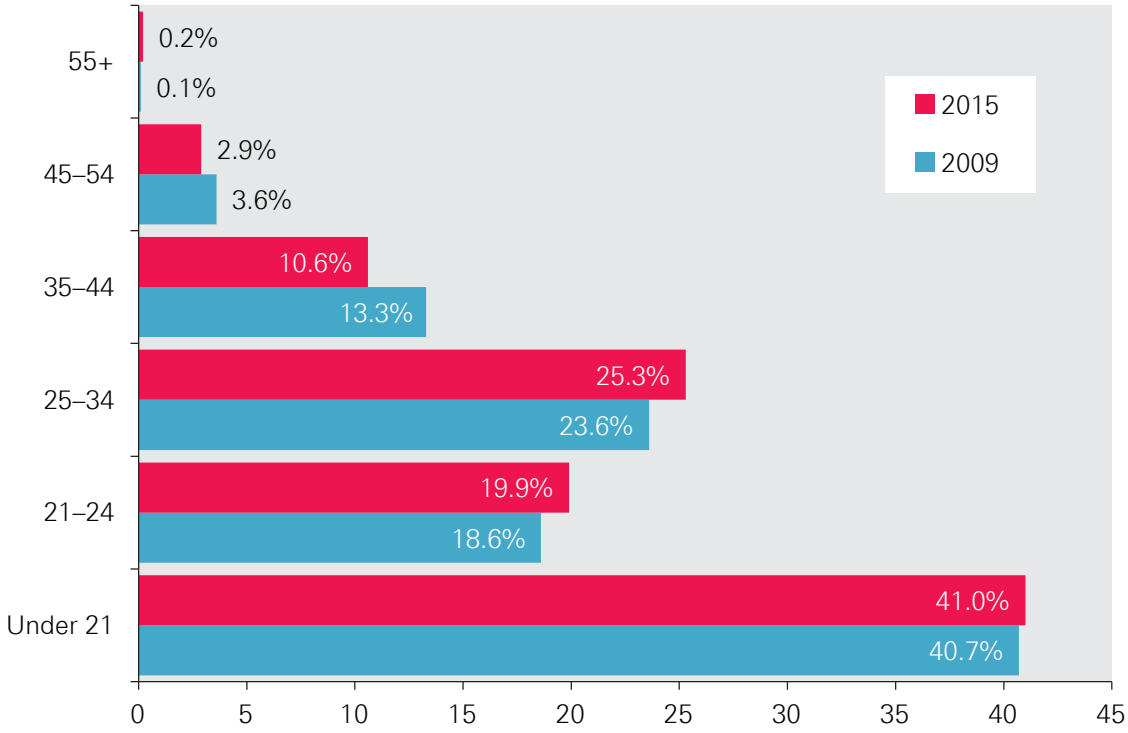
Of greater short-term importance from a labour supply point of view is the number of applicants accepted onto courses. Having peaked in 2010 at 26,550, the number of acceptances fell in 2011 and 2012. This was mainly a result of the central decision to reduce the number of places being commissioned, and hence funded in England. That decline has now been reversed; as noted earlier HEE has increased the number of commissioned places in the last couple of years. The number of acceptances reached 27,535 in 2015, which is the largest ever number of students accepting places on university nursing courses in the UK. Note that, while EU and non-EU students make up 3.6% of applications, they account for only two per cent of those accepted (typically around 500-600 per year) (figure SN2).

Figure SN2: Acceptances for entry to nursing courses at higher education institutions in the UK, 2007–15



One argument that has been made against the end of the bursary is that it may reduce the number of older applicants, and those with existing financial liabilities. Examination of the age profile of students accepted onto nursing degree courses shows there has been a gradual drift towards younger ages in recent years (figure SN3). In 2009, 59% were aged under 25 and 17% over 35, compared with 2015 when 61% under 25 and 14% over 35. This age shift may have reflected the move away from diploma- and degree-based alternative entry points to an all degree-based entry. The change in funding may reinforce this shifting age profile if it discourages older applicants disproportionately.

Figure SN3: Acceptances for entry to nursing courses by age group, 2009 and 2015



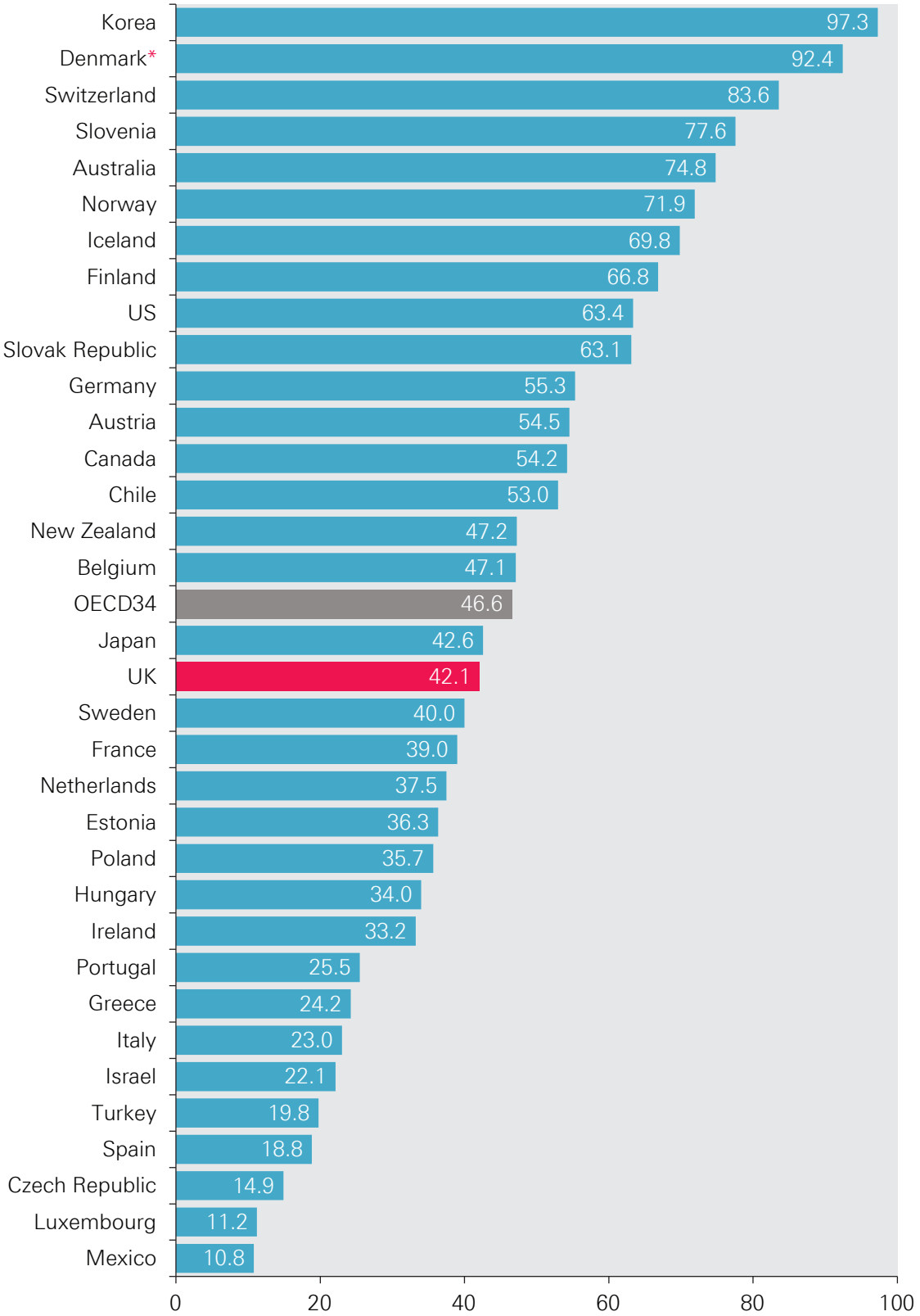
The trend over the last three years should, provided the drop-out rate does not rise, mean that more newly qualified nurses will be available over the next three years.

While it is too early to be certain how the change of funding will impact on future supply of nurses in England, international evidence does provide some relevant background. A comparison across OECD countries suggests that the UK was at the lower end of the scale in terms of its output of newly qualified domestically trained nurses. *

Figure SN4 (overleaf) shows the number of nursing graduates per 100,000 population in different OECD countries; this is a snapshot of the level of newly qualified nurses available to meet demand, fill vacancies etc. OECD reports that, in the UK, there were was 42 graduating nurses per 100,000 population in 2013, below the OECD average of 47, and well below Australia (75), the US (63) and many other northern European countries.

* Please note: OECD data cannot be disaggregated to examine the four UK countries, but England includes more than 80% of the total NHS workforce.

Figure SN4: Nursing graduates per 100,000 population, 2013



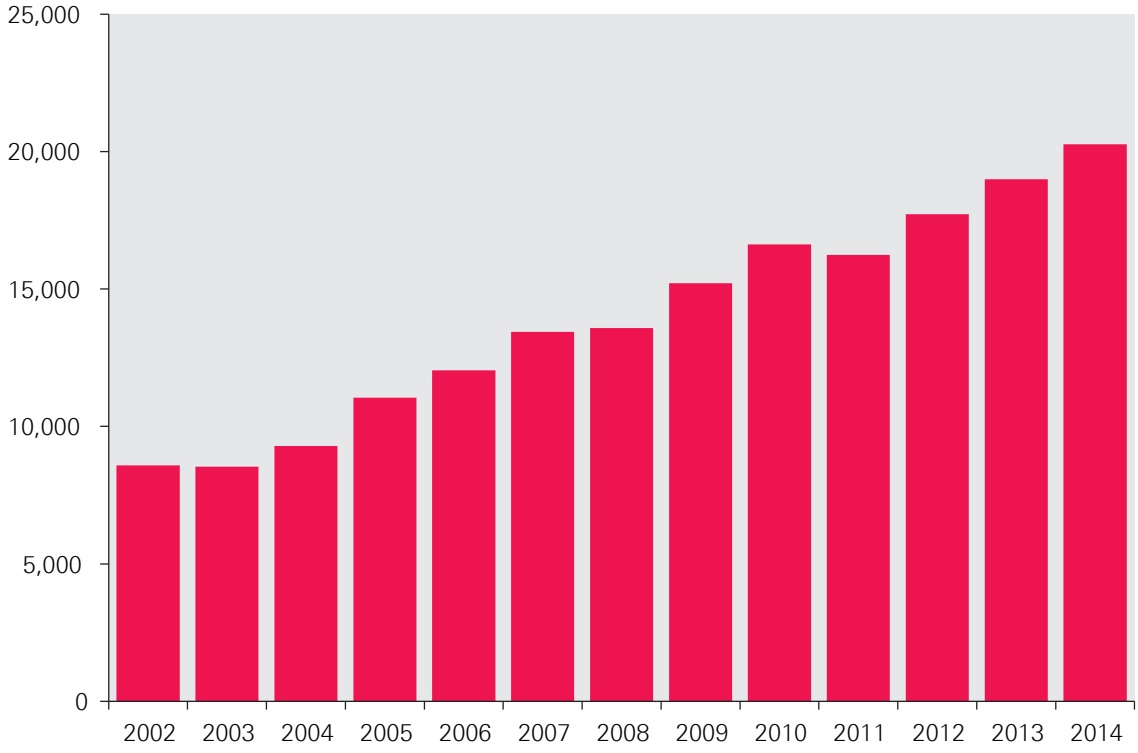
* Number refers to new nurses receiving an authorisation to practice, which may result in an over-estimation if these include foreign-trained nurses.

More detailed analysis of two OECD countries gives some hints about the impact of a cap-free approach. Australia moved to a 'demand-led' approach to student nurse numbers in 2009, while in the USA there has always been extensive student self-funding of courses, with no government-set funding cap. These characteristics may help explain why those countries have reported relatively higher current output of new graduate nurses in recent years.

Prior to 2009, the Australian government controlled the number of funded university places for nursing students (those studying for degree in nursing: enrolled nurses are educated in the vocational education sector). However, as a response to a review of the education system in 2009, universities moved to a demand-driven system for nursing students.[12]

In Australia there was also a reduction in the student debt repayment (Higher Education Loan Program (HELP)), which was intended to encourage more people to enrol and work in nursing. Trends in commencing enrolments in general nursing courses in Australia across the period since 2002 are shown in figure SN5.

Figure SN5: Commencing enrolments of students for general nursing courses in Australia, 2002–14

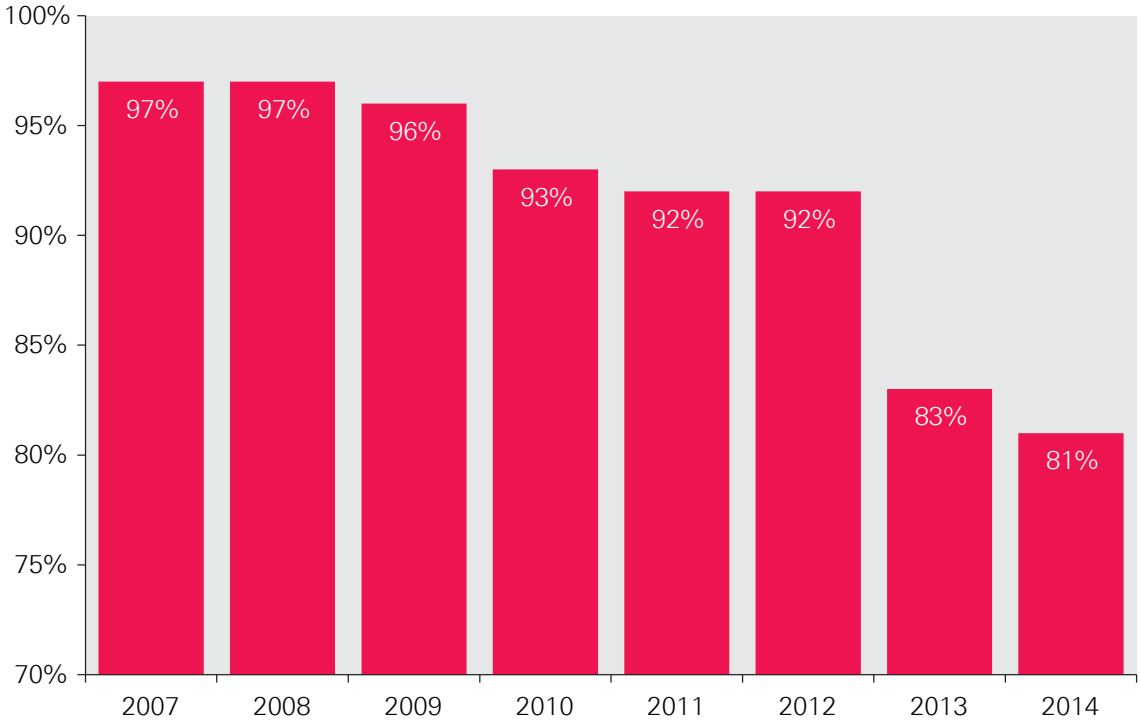


There has been almost continuous growth in enrolments in nursing across the twelve-year period. In 2014 there were over 20,000 enrolments – more than twice the level in 2004.[13]

Growth in student numbers has also created new challenges. A federal government review in 2013 noted that university nursing courses were oversubscribed, but that some concerns were being expressed about the standard of students applying for nursing, with some universities reducing their minimum tertiary entrance scores to attract more nursing applicants.[12] There was also reported concern about education capacity and clinical placement constraints on enrolment numbers.

There was also a reduction in the proportion of new graduates obtaining full-time jobs. Data on the employment take-up rate of new graduates in Australia shows that there has been a year on year reduction in the proportion of nursing graduates finding full-time employment within four months (figure SN6).

Figure SN6: Nursing graduates employed full time, four months after graduation, in Australia, 2007–14



The reduction in the proportion of nurse graduates obtaining full-time employment in Australia has been attributed to reduced turnover of experienced staff, reduced demand because of health budget cuts, the impact of short-term migrant visas for international nurses, and poor workforce planning meaning there was geographic mismatch between job vacancies and preferred job locations.[14]

The growth in student nurse intakes in Australia has been matched in recent years by that in the USA, which has no cap. Student nurse numbers have more than doubled from approximately 68,000 individuals in 2001 to more than 150,000 in 2012. The most recent assessment of nurse supply–demand for the US Department of Health and Human Services suggests that this massive recent growth in the numbers of nurses being trained domestically will mean that supply of nurses effectively outstrips projected (increased) demand by 2025.[15] A recent review by OECD across ten high income countries presented data suggesting that the UK and Portugal were the only two of these ten countries where the annual student intake to nurse education had reduced across the period 2000-2013.[16]

It should also be noted that nursing careers in Australia and the USA are relatively well paid. OECD data suggests that the remuneration levels of hospital nurses in the US and in Australia are ranked second and fourth highest in OECD countries (as measured by purchasing power), while hospital nurses pay in the UK is only ranked fifteenth.[17]

Student nurses: Conclusions

A more detailed examination of UCAS data highlights that there has been a peak in the number of applications for pre-registration nurse education, but that the number has continued to be well in excess of funded acceptances. At the crudest level of analysis this does suggest that 'demand' for pre-registration nurse education does exceed the supply of funded places, and that ending the funding cap could lead to an increase in intakes, assuming self-funded students increase in number. The current Lancashire model does reinforce the point that there is a market for self-funded places – at least where there is a promise of a local job on completion.

OECD data highlights that, as a snapshot in 2013, the UK was at the lower end of countries in terms of number of new graduate nurses per 1,000 population, below the OECD average, and well below Australia and USA. More detailed examination of the experience of Australia and the USA suggests that removing the cap in the UK may contribute to an increase in the number of student nurses, assuming job availability and affordable fees, and that the main constraints are the capacity of the education sector to cope with greater numbers and provide suitable clinical placements. These issues have already been identified in the UK. The Australian experience also cautions that national numerical growth may exacerbate current geographical supply–demand imbalances rather than reduce them.

Longer term, much will depend on the continued attraction of nursing as a career if a higher applicant base is to be maintained. This in part will depend on perceptions of career opportunities, and pay levels; the possibility that a shift away from the bursary model may also reduce the supply of older applicants who already have more financial and domestic commitments will have to be considered.

It should also be noted that at the time writing, the other three countries of the UK have not indicated that they will move to this new funding model. This raises issues about the relative costs of training to student nurses in the different UK countries, with possible changes in the cross-border flow of student and newly qualified nurses as result.

Finally it must be noted that the end of the cap also means that central government is distancing itself from full funding of intakes to pre-registration education of nurses and allied health professionals. HEE will therefore no longer completely control the numbers being trained. This places a greater emphasis on monitoring and tracking of non-centrally funded training places if there is to be any continued aspiration to have national supply estimates.

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