

**Northumberland, Tyne and Wear NHS Foundation Trust**

**Board of Directors Meeting**

**Meeting Date:** 28<sup>th</sup> February 2018

**Title and Author of Paper:** Creation of NTW Nursing Academy – Gail Bayes, Deputy Director, Academy Development

**Executive Lead:** Gary O'Hare, Executive Director of Nursing and Chief Operating Officer

**Paper for Debate, Decision or Information:** Information

**Key Points to Note:**

- Nationally, there are not enough registered nurses to meet demand as more nurses leave than enter the profession for a multitude of reasons. In Mental Health and Learning Disability nursing, registered nurses are in even greater demand.
- The proposal is to create the NTW Nursing Academy, designed to pursue a mix and match approach to becoming a registered nurse, taking advantage of new models such as degree-level apprenticeships and making best use of the non-negotiable Apprenticeship Levy.
- The proposal will see up to 20 additional registered nurses produced each year, over and above the usual University graduate route, from 2021. This number can be flexed up or down to meet changing workforce demand
- The proposal supports a number of NTW Strategies
- Investment is required and information is on page 14
- Page 15 shows the expected return on investment

**Risks Highlighted:**

- Increasing numbers against an expectation of a reducing workforce headcount
- Investment in a climate of reducing financial resource
- 5YFV expansion plans for mental health services in a climate of improved efficiency and reduction of headcount
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The above risks are part of widely discussed opposing factors at play nationally in relation to NHSI and national direction. Pages 9,10,12 and 13 explore this further.

**Does this affect any Board Assurance Framework/Corporate Risks:**

**Yes**

BAF currently holds a risk in relation to lack of registered nurses to meet service demand. The proposal will significantly contribute to reducing this risk by producing a small number of additional registered nurses and also expanding the skills set of unregistered nurses to increase our supply of Nursing Associate posts

**Equal Opportunities, Legal and Other Implications:** None of note

**Outcome Required / Recommendations:** CDT to note the proposal and support advancement to Trust Board

**Link to Policies and Strategies:**

- Support the Workforce Strategy
- Support the Nursing Strategy
- Support other Professional Strategies at a future point
- Support the Trust's Strategic Direction overall by making best use of the non-negotiable Apprenticeship Levy as part of the year-on-year Financial Delivery Plans
- Underpin the Trust's strategic ambitions by promoting inclusiveness to produce a range of nursing staff skilled in working across pathways to better meet the future demands of care.

## Full Business Case

Project Details	
<b>Targeted area for improvement</b>	Creation of NTW Nursing Academy
<b>Service / Group</b>	NTW Academy Development
<b>Project Lead</b>	Gail Bayes
<b>Author(s)</b>	Gail Bayes
<b>Date of completion</b>	January 2018 (February 2018 Trust Board)
Project Details	
Introduction	<p>The business case aims to create an NTW Nursing Academy which will produce circa 60 qualified nurses each year by 2021 and can be tapered up or down four times each year to reflect demand within a rolling three-year planning cycle. It will also support the expansion of a wide range of higher level apprenticeships across professions.</p> <ul style="list-style-type: none"> <li>• It is not a legal requirement</li> <li>• It is a sustainable 'invest to save' strategy</li> <li>• It is an 'invest to retain workforce' strategy</li> <li>• It is an 'invest to mitigate risk' strategy</li> </ul> <p>The Apprenticeship Levy is a non-negotiable tax, circa £1m for NTW, which is unlikely to change in the foreseeable future. The tax must be paid, irrespective of the number of apprentices we have. Lower level apprenticeships attract financial offsetting of circa £3,000 per qualification Higher level apprenticeships attract financial offsetting of circa £27,000 per qualification or higher There are a range of levels in between</p> <p>We have an excellent history of supporting lower level apprenticeships under the old vocational schemes and will continue to do this with the new schemes. However, we cannot hope to achieve £1m value for money against the Apprenticeship Levy without change.</p> <p>The Nursing Academy will launch and support higher level apprenticeships, paving the way to expand this across professional groups Designed to support the Nursing Strategy, the business case strongly supports the Workforce Strategy and contributes to longer term Financial Delivery Plans and financial sustainability of the Trust.</p> <p>The business case scopes out the national and local context and addresses affordability, sustainability, productivity and risk in relation to wider workforce planning and Trust strategic direction</p> <p>It underpins the Trust's strategic ambitions by promoting inclusiveness to produce a range of nursing staff skilled in working across pathways to better meet the future demands of care.</p>

<p><b>Summary Context</b></p>	<p>In recent years the National Health Service has seen unprecedented change and reform alongside a challenging economic climate.</p> <p>There is a nationally recognised shortage of registered nurses, together with a demand for a more flexible and adaptable approach to nursing skills, in variable settings and across pathways of care.</p> <p>Commissioned places for nurse training fell between 2009 and 2013 by approx. 18% (5,000 places). Although that trend is now reversing and places are increasing, the time delay in realising the benefits is significant.</p> <p>Additionally, the national withdrawal of funded places for nurse training means that applicants through traditional university routes must now self-fund their education, usually via a student loan at a cost of circa £10,000 per annum. The impact of this change from September 2017 cannot yet be measured but there is a real risk that, despite increasing availability of places, fewer places will be filled and attrition rates may increase</p> <p>Whilst NTW has experienced its own challenges in the recruitment of registered nurses, the current situation (2017/18) is an improvement on that of two years ago because of targeted effort and focus. However, further steps must be taken to ensure the long term viability of the nursing workforce.</p> <p>The shortages and challenges have been evident for several years and are reflected in the NTW Nursing Strategy 2014 – 2019, ‘Delivering Compassion in Practice’, articulated as a principle to have the right staff at the right time in the right place.</p> <p>From its current nursing strategy, NTW has firm foundations in place on which to build capacity and affordable sustainability</p> <p><b>‘Building on our compassion to embrace today’s opportunities and create tomorrow’s possibilities’ is the multi-faceted approach driving the creation of the NTW Nursing Academy</b></p>
<p><b>Case for Change</b></p>	<p><u>Public Expectation</u>  The general public expects the NHS to have sufficient staff to meet their needs. Within MH and LD services, service users and carers also expect this and within NTW they have come to rightly expect involvement in their own care with co-production of treatment plans. To meet this expectation, NTW has invested not only in the training of its staff but in the true development of partnership working and service user and carer involvement. The creation of the Nursing Academy will further underpin these values by introducing them at the beginning of nurse education courses and reinforcing them throughout.</p> <p><u>National Demographics Picture</u>  There are numerous reasons for the shortages of registered nurses. Nationally, there are varying figures (even those used by government</p>

can be contradictory) but there are generally accepted challenges which are undisputed

- Between 2009 and 2013, the number of commissioned registered nursing training places in England fell by approx. 18% (5,000 places)
- Recent changes (from 2014) have seen a slow increase to reverse these decisions but the impact is yet to be felt and the increase is not at the rate required to give long term sustainability. Additionally, places for MH and LD Nursing Programmes have not increased at the rate of those for Adult and Children's nursing.
- The attrition rate of students during their training is a challenge for Universities and ultimately the health services especially in the early months of training and even before training starts. There is also the pressure of those qualifying but choosing not to pursue a Registered Nurse Career. Professional bodies recognise the problem and highlight students feeling unsupported by Universities and feeling under-valued by Providers during placement as the common issues, although there are numerous other issues.
- Introduction of fees of circa £10,000 per year from September 2017 are expected to negatively impact on student applications and potentially increase attrition rates. This would seem to be supported by a recent survey across Universities nationally (not yet published but available to Nurse Directors, January 2018) indicating the starter figures for 17/18 for MH nursing were down by 5% against target and in LD nursing that figure was down by 33% against target
- There has been a spike recently in retirements at age 55, available to those in Special Classes or with Mental Health Officer Status. Although this status was abolished in 1995, it could potentially be 2025 before the last of these employees are obliged to work later than age 55

Further background can be found in the summary document – Partial review of the Shortage Occupation List, Review of Nursing, Migration Advisory Committee, March 2016

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/510630/Partial\\_review\\_of\\_the\\_shortage\\_occupation\\_list\\_-\\_review\\_of\\_nursing.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510630/Partial_review_of_the_shortage_occupation_list_-_review_of_nursing.pdf)

#### Regional Situation

More locally, NTW has experienced additional issues

- Employment of newly qualified nurses for Registered Nurse positions in NTW has also been a challenge highlighted by the Trust's move to value based recruitment three years ago. Whilst some excellent nurses are being employed, some newly qualified nurses do not display the right values and attitudes to be considered suitable for employment.
- Expansion of clinical services across community pathways has seen a demand for increased numbers of registered nurses.

- CCG and NHSE Commissioner expectations can be specific about skill mix and numbers of staff, increasing pressures on contractual obligations and potential penalties where they are not met

#### National Strategic Directives

- The government's recent announcement of an extra 21,000 mental health workers in post by 2021 adds pressure to the system. Although there is no expectation that these posts will all be registered nurses, there is certainly anticipation that the source of these new workers will come from the same pool as those considering nursing which adds another pressure
- The 'Five Year Forward View for Mental Health' (5YFVMH, February 2016) set a national strategic direction for services
- The 5YFVMH details various approaches to increasing capacity and fundamentally recognises that the solution is not a 'one size fits all' approach.

'Stepping forward to 2020/21, July 2017' articulates a high level road map of the workforce requirements to meet the 5YFVMH. There is no argument that meeting the mental health needs of all patients across care pathways is good practice and should be supported. However, the capacity and skills challenges are significant. This document recognises challenges in a number of key health-related professions – nursing, medical, psychology and AHP staff. It shows a multi-faceted waterfall diagram showing the future aspirations and the extensive efforts required by all organisations. It cannot be reproduced clearly in the body of this document but it is attached as appendix 1 and for further reading it can be found on page 20, of **Stepping forward to 2020/21: The mental health workforce plan for England, July 2017**, following this link

[https://www.hee.nhs.uk/sites/default/files/documents/CCS0717505185-1\\_FYFV%20Mental%20health%20workforce%20plan%20for%20England\\_v5%283%29.pdf](https://www.hee.nhs.uk/sites/default/files/documents/CCS0717505185-1_FYFV%20Mental%20health%20workforce%20plan%20for%20England_v5%283%29.pdf)

#### NTW Workforce Strategy & Workforce Planning

- NTW has circa 6,000 staff of which 1,800 are qualified nurses
- The current NTW staffing profile shows that the age of retirement across the workforce tends to be at around age 60. However, qualified nurses are the exception to this, mainly choosing to retire at age 55/56.
- The predicted number of qualified nurses retiring from NTW in the next five years is 558 (or 31%), an average of 6% per year or 110 nurses
- A further 2-3% leave each year for other reasons (circa 40 nurses)
- The overall attrition rate of qualified nurses in NTW (8-9%) is below the national average for MH/LD Trusts (which stands at 13% using NHSI figures) but nevertheless presents challenges

- In the past 2-3 years, targeted recruitment campaigns have been successful in attracting registered nurses but with natural attrition rates, the expansion of some clinical services and our future workforce planning aspirations, filling posts with registered nurses remains a challenge
- Compared to three years ago, NTW is using significantly less agency and bank nursing time. However, NTW still uses up to 20 wte agency qualified nurses and 50 wte agency unqualified nurses to meet demand.

A key feature of the NTW Workforce Strategy is the **recruitment and retention** of staff. This is reflected and reinforced in the emerging National Health & Care Workforce Strategy to 2027

The NTW Nursing Strategy is clear in its ambition to create career pathways in nursing to attract and retain our nursing workforce of the future

The ambitions reduce the need to rely on agency and bank staff.

***The advent of the Nursing Academy with pathway options will pave the way for other professional pathways to follow and contribute to the achievement of the 5YFVMH plans.***

Through innovative partnerships, student nurses who become part of the NTW Nursing Academy will have early exposure to additional learning developments including multi-disciplinary working, shared educational opportunities across disciplines and introduction to leadership at an early stage

#### Valuing staff

NTW's Workforce planning recognises that the focus on recruitment of staff to the detriment of retaining staff is a short term view with limited future sustainability.

More recently (January 2018) national media coverage of the challenges facing qualified nurse recruitment and retention has highlighted the significant numbers choosing to leave the NHS during the first 2-3 years of their career, mainly due to feeling under-valued, feeling increasing levels of stress from being asked to do more than they anticipated and generally being disillusioned with their chosen career pathway.

One of the reasons for this may be the design of the currently commissioned HEE/NMC student nurse training programme which gives limited exposure across three years to the realities of working in the NHS on a full time basis. The transition from student to registered nurse can be a major mind-set challenge for our newly qualified staff.

NTW recognises this issue in its retention strategies

The Nursing Academy strives to value its existing staff by offering attractive and achievable, supported career pathways to a large part of its workforce, namely the non-registered healthcare staff.

The option proposed supports the development of existing staff who already work in the NHS and are well aware of the challenges and pressures faced on a day to day basis. This will undoubtedly help with both the individual's and the Trust's expectations in the transition from student to qualified nurse.

There is recognition nationally that applicants for MH and LD Nursing courses are usually more mature students with existing financial/domestic commitments.

University fees are a major obstacle for many existing NTW staff who are in full time employment (usually at band 3 or 4) as they have to give up their employment to seek a student loan and study full time. Current changes to the student loan system are in discussion nationally and interest rates are expected to rise, making this even less attractive.

Currently, NTW is supporting a small number of existing staff to achieve Registered Nurse status through the Open University on a part time basis. Previously part funded by HEE, the funding for this will be withdrawn from 2018.

The Nursing Academy seeks to keep an open mind and implement a multi-faceted approach to supporting staff through career developments and acquiring new qualified nurses.

#### Recent introduction of the Apprenticeship Levy

In April 2016 the government introduced an *Apprenticeship Levy* to all larger organisations.

*The Apprenticeship Levy* is a non-negotiable cost/tax to NTW, circa £1m per annum

The rules of application to 'offset' this tax are still evolving and changing. However, the advent of higher level apprenticeships in degree level nursing, expected in 2018, will offer excellent opportunities for NTW to maximise the benefits for the organisation and ensure cost-effectiveness/value for money against our Levy charge. This is referenced further in the affordability section.

The management of the overall Levy fee cannot be addressed here but is part of the Trust Financial Delivery Plan

#### Nursing Strategy

NTW recognised some time ago that investment in the whole nursing career pathway was the way forward and, as part of the Nursing Strategy, has successfully supported nursing staff to complete Foundation degrees, Assistant Practitioner qualifications and more recently, pursue Nurse Associate frameworks.

In summary, we have almost 750 staff at various stages of career progression. Whilst some will opt to stay at band 3 level qualification, we have at least 150 staff with higher level aspirations and the potential to become registered nurses.



There will be four main routes open to individuals in the future who wish to pursue a registered nursing qualification

1. Apply to a University which has HEE commissioned pre-registration places available – costs via student loan. No extra cost to NTW
2. Apply to a University which has a partnership arrangement in place with a Provider Trust to become an ‘adopted’ student of the host organisation – costs via student loan. No cost to NTW
3. Be an employee pursuing a pathway within a Provider trust and be ‘seconded’ to a local University or Open University to complete a course of varying length to convert prior learning (usually foundation degree level) to registration level – university costs initially paid by the Provider Trust then by apprenticeship levy funding as options become approved by the NMC. This is expected by 2018/19
4. Become a healthcare apprentice with a Provider trust for up to 12 months at band 2 and then, with the correct entry requirements, commence a 4 year Nursing Degree Apprenticeship – funding via apprenticeship levy and expected to be available in 2019

There may be other options that become available in the future. The third route (secondment) is the closest to the desired position articulated in the Nursing Strategy.

NTW wishes to pursue a suite of options around the above pathways to

- Maximise the optimum conversion rate of band 3 and 4 staff to registered nurses
- Maximise use of the Apprenticeship Levy in future years
- Facilitate smooth transition from current options to future options, retaining the best practice and outcomes as we progress
- Take advantage of any new or hybrid models that may emerge

### **Summary of Case for Change**

**This proposal aims to achieve the development of an NTW Nursing Academy to see the first cohorts of students in 2018.**

**It will fundamentally underpin the Trust’s Financial Delivery Plans by paving the way for higher level apprenticeships across professions and provide a steady and sustainable vehicle to gain best value for money against the non-negotiable Apprenticeship Levy**

**The expectation is a ‘mix and match’ approach to registration with a number of strands to begin with, necessary to incorporate the Assistant Practitioner/Nursing Associate roles/NMC approval process and introduction of Nursing Degree Apprenticeships. Over time the options will become more streamlined as NMC approval confirms shortened courses, validates pathways and**

	<p><b>extends higher level apprenticeship offers</b></p> <p><u>Trust Strategies</u></p> <p>This development will</p> <ul style="list-style-type: none"> <li>• Support the Workforce Strategy</li> <li>• Support the Nursing Strategy</li> <li>• Support a range of multi-professional standards in line with the requirements of their governing bodies</li> <li>• Support other Professional Strategies at a future point</li> <li>• Convert the financial cost of supporting the Nursing Academy into a viable business investment for future sustainability</li> <li>• Support the Trust’s Strategic Direction overall by making best use of the non-negotiable Apprenticeship Levy as part of the year-on-year Financial Delivery Plans</li> <li>• Underpin the Trust’s strategic ambitions by promoting inclusiveness to produce a range of nursing staff skilled in working across pathways to better meet the future demands of care.</li> </ul> <p><u>Innovation/Partnership opportunities</u></p> <p>Higher Education Institutions (HEIs) have for some considerable time offered places commissioned by HEE and ratified by the NMC. Whilst Provider Trusts had relationships with HEIs and hosted placements (which NTW will continue to do), trusts were not integrally involved in curriculum design or adaptation to meet emerging needs in skills developments for pathways or in alternative healthcare settings.</p> <p>With the advent of the Apprenticeship Levy and the introduction of the Nurse Degree Level Apprenticeship (NDLA) from later in 2018, some HEIs have recognised the business opportunity of alternative sources of income and are keen to work in partnership with provider trusts.</p> <p>NTW has the opportunity to inform and shape the curriculum locally to meet its needs and values both in the apprenticeship and more traditional degree programmes. Work has progressed considerably in 2017 and NTW has already embarked on some specific work with Sunderland University and the NMC.</p> <p>Given the geographical expanse of NTW, one HEI in one area will not meet the needs of our entire organisation and work continues to explore and take advantage of new opportunities.</p> <p>This is very much in keeping with the partnership approaches underpinning the Sustainable Transformation Plans (STP) principles, the Local Workforce Action Boards (LWABs) and the emerging National Health &amp; Care Workforce Strategy to 2027</p>
<p><b>Description of Options reviewed</b></p>	<p><b>Option 1</b></p> <p>Do nothing – continue as we are and rely on external influences to meet our workforce needs.</p> <p>Do nothing – continue as we are and offer a limited low level career pathway option only for our dedicated unqualified staff group</p> <p>Do nothing – continue to pay the Apprenticeship Levy and offer lower</p>

	<p>level apprenticeships only – this is a painfully slow way to offset the Apprenticeship Levy costs and cannot offer value for money</p> <p>This is not considered to be a viable option</p> <p><b>Option 2</b>  Implement the Case for Change as outlined above to have a ‘mix and match’ approach to registration which makes better use of the Apprenticeship Levy tax and provides a better value for money return to promote financial sustainability.  Taking advantage of opportunities and shaping the direction of travel with a range of stakeholders promotes partnership working at several levels.  This provides mitigation for risk related to Workforce and Nursing Strategies with retention of staff.</p> <p><b>Option 3</b>  Part-implement the Case for Change to pursue only the options with no costs to NTW. This would mean minimum change to the way we currently operate and is almost the same as option 1, do nothing  This is not considered to be a viable option.</p>
<p><b>Outline of Preferred Option/Proposal</b></p>	<p>The preferred option is <b>Option 2</b></p> <p>This will</p> <ul style="list-style-type: none"> <li>• Support the Workforce Strategy</li> <li>• Support the Nursing Strategy</li> <li>• Support a range of multi-professional standards in line with the requirements of their governing bodies</li> <li>• Support other Professional Strategies at a future point</li> <li>• Convert the financial cost of supporting the Nursing Academy into a viable business investment for future sustainability</li> <li>• Make best use of the non-negotiable Apprenticeship Levy as part of the Trust’s year-on-year Financial Delivery Plans</li> <li>• Mitigate the risks associated with failing to attract and retain qualified nurses in future years</li> <li>• Complement the direction of the 5YFVMH allowing for local variation to best meet local need</li> </ul>
<p><b>Risks associated with opposing factors of Expansion, Retraction, Productivity, and Investment</b></p>	<p>There are a number of seemingly opposing factors and dilemmas to consider  The national and local pictures are a complex equation of demand and excess, expectation and capacity, expansion and retraction all set against a challenging financial background</p> <ol style="list-style-type: none"> <li>1. The 5YFVMH promotes the significant expansion of a skilled MH workforce and aims to have 21,000 more staff available by 2021</li> <li>2. HEE is increasing commissioned places available to nursing students to become registered nurses</li> <li>3. The next 2 years will see an average of 80 MH and LD nurses being produced in the north-east by the existing HEE system</li> </ol>

until the new system evolves. These nurses will likely seek employment with NTW

4. The NTW Nursing Academy seeks to produce an additional 20 qualified nurses each year from 2021
5. The NHS is operating in an increasingly restricted financial climate where the expectation is to increase productivity and reduce head count of its biggest resource which is staffing.

RISK - Could these factors lead to an over-supply of qualified nurses in 3-4 years' time?

#### Mitigations

- The number of qualified nurses leaving the NHS is increasing faster than new entrants (source)
- In NTW the expectation is that 558 of qualified nurses will leave in the next 5 years
- There is no guarantee the HEE commissioned places will be filled given the introduction of student fees
- Services continue to be provided in new innovative ways requiring more qualified nurses to operate across pathways, settings and in partnerships with other providers. The move away from traditional in-patient settings requires more nurses across wider geographical areas working extended hours to meet need.
- The extended role of qualified nurses to support the pressures experienced in medical recruitment and retention will necessitate a number of more senior staff moving into other roles (e.g. non-medical prescribing, non-medical Approved Clinicians) and leaving more generic qualified nurse roles vacant
- The 5YFV advocates better MH care across its extensive range of care pathways which will demand additional skills in previously general-nursing only areas (e.g. acute settings)

It is considered unlikely that supply will be greater than demand and the three year programme supported by the Nursing Academy will allow scaling up and down at least every 6 months based on new emerging data and plans

RISK – Seconded staff could be financially supported via secondment to become qualified and then leave NTW to work elsewhere

Mitigation - Staff seconded to complete registration will be obliged, via a study bond, to stay with NTW for a minimum of three years post qualification. They will be long-standing NTW staff to begin with and have firm established roots in the organisation and geographical area. This investment in their development through a route otherwise not available to many of them will strengthen loyalty and reduce turnover rate. This also reinforces that NTW values its staff and will contribute to the retention plans in the Workforce Strategy

Further generic risks are outlined in a later section

<b>Resource Requirements</b>	
	<p><b>Staffing</b>  Costs associated with the development and implementation of the Nursing Academy are funded within new posts as part of the recent NTW organisational restructure</p> <p><u>Placement Support</u>  Current work indicates we have capacity within existing clinical services to increase our student placement potential by 50-60%. The biggest challenge to this is the mind-set of mentors, managers and teams about their student educational support responsibilities. This is being addressed across Professional Nursing forums in relation to NMC requirements of qualified nurses.</p> <p><u>Backfill</u>  Currently, we support staff to be seconded without backfill on a predominantly full time basis.  Degree level apprenticeships provide more flexibility whilst meeting the needs of the University and the NMC. The emphasis is on learning and consolidation of that learning in the workplace, meaning only 50% of the overall time across a three year programme is required to be away from the workplace. This gives an overall 'net' gain of 50% of seconded workforce hours to the Trust compared to the current situation.  In addition, the proposal with Sunderland University is to have smaller and more frequent cohorts of 4-5 students, 3-4 times per year. This allows backfill time to be spread more evenly and allows for the smaller more personalised approach to student support</p>
	<p><b>Estates</b></p> <p>There is a scoping exercise underway to explore options to develop the overall NTW Academy and Medical Education facilities as a joint venture, promoting multi-disciplinary approaches to education and better meeting the needs of our current and future workforce.</p> <p>The Nursing Academy Business Case would benefit from this development but <u>is not reliant on it.</u></p> <p>Although there is a reserved amount of circa £1.3m in the capital planning programme against this development, any progress would be subject to prevailing NHSI direction and a separate capital investment business case</p>
	<p><b>IMT</b></p> <p>A <b><i>Practice Placement Database</i></b> will need development/expansion to effectively manage multiple partners and multiple pathways of varying duration alongside mentorship monitoring and capacity management  Initial scoping work done in 2017 indicates this is relatively simple and would require 6 weeks of work to complete</p>
	<p><b>Non Staff Costs</b></p>

	Small amount associated with additional staffing costs	
	<b>Pharmacy</b>	
	None directly anticipated	
<b>Interdependencies</b>	None directly anticipated	
<b>Generic Risks, Mitigations and gains to NTW</b>	<b>Risks</b>	<b>Mitigations</b>
	No investment in the Nursing Academy and the pathway options results in lack of appropriate number of registered nurses in the future – currently on the Board Assurance Framework as a corporate risk	Progression of the Nursing Academy business case to develop the Nursing Academy and produce up to 20 MH/LD nurses annually.
	Investment in the Nursing Academy fails to produce registered nurses	Part of the Nursing Academy work plan and risk register to continually monitor progress, assess risk, adapt approach and mitigate accordingly – overseen by the Academy Board from October 2017
	Investment in the Nursing Academy fails to retain registered nurses	Part of the Nursing Academy work plan but also linking into the wider Workforce retention strategy for all staff Work plan and risk register will continually monitor progress, assess risk, adapt approach and mitigate accordingly – overseen by the Academy Board with links to CDT-W
	Relationships with HEIs fail	Dedicated time by senior staff to cultivate relationships with a range of providers is in place
	NMC approval processes for shortened courses are delayed resulting in delays to begin pathways	By pursuing a range of options and taking a ‘mix and match’ approach, NTW will continue to attract and develop nurses through a variety of routes until shortened courses become available.
	<b>Gains to NTW</b>	
	<ul style="list-style-type: none"> <li>Mitigation of the risk currently identified on the Board Assurance Framework in relation to recruiting and retaining adequate numbers of registered nurses in the future. Staff seconded to complete registration will be obliged, via a study bond, to stay with NTW for a minimum of three years post qualification. They are also long-standing NTW staff to begin with and have firm established roots in the organisation and geographical area. This investment in their development through a route otherwise not available to many of them will strengthen loyalty and reduce</li> </ul>	

turnover rate.

- Mitigation of the national risk of declining interest in relation to the introduction of university fees for nursing students. This is not yet a proven fact as fees were only introduced in September 2017 but the NMC and other key bodies are warning of the risks of the drop in interest in nursing courses by the traditional route if graduates are expected to accumulate a £30k debt at the end of their university course.
- Responsiveness to the changing organisational and commissioning landscape – via new and innovative partnerships NTW is able to introduce new and innovative pathway placement experiences, often with other provider partners in the community to best meet the needs of service users and carers and provide a fit for purpose flexible workforce of the future.
- The new apprenticeship route to a nursing registration requires students to take leave from the usual workplace for circa 50% of their time over three years (unlike traditional secondments where 100% of release time is required). Over 3 years, 20 support staff released for only 50% of their time is a saving to NTW of circa £280,000 compared to full time release which will have a direct positive impact on bank and agency time required. This is not an Academy saving but will be reflected in operational budgets.

As the Academy aims to have 20 staff per year following a nursing registration programme, by year 3 we will have up to 60 students following this route.

- Embedding of NTW values throughout the training and tailored additional input and support from NTW alongside the academic requirements and the NMC means a true co-production of a fit-for-purpose academic pathway. The end result is a registered nurse who is more independent and confident and requires far less immediate support in the workplace that we have seen in recent years.
- Subject to NMC approval, elements of preceptorship can potentially be covered earlier than on registration, an additional (but as yet unquantified) financial saving and quality improvement in operational services.

## Finance

### Financial Commitment

	2018/19	2019/20	2020/21	2021/22	
	£'000	£'000	£'000	£'000	
6 x Band 7 Practice Placement Facilitators	315	315	315	315	
2 x band 3 Admin Support	41	41	41	41	
Non Pay	106	106	106	106	
Sub-Total	462	462	462	462	
Training Funding/University Fees	250	250	100	100	1
<b>TOTAL COST</b>	<b>712</b>	<b>712</b>	<b>562</b>	<b>562</b>	
Financed by					
NMET FUNDING	-565	-509	-452	-396	2
<b>NTW INVESTMENT*</b>	<b>146</b>	<b>203</b>	<b>109</b>	<b>166</b>	

\*Overall investment is considerably less than first thought in October 2017 due to the national progress of the apprenticeship approvals by the NMC across the nursing pathway. This means NTW will be able to offset fees against the Apprenticeship Levy more quickly than anticipated.

#### Note 1

In 2018/2019 there will be a continuation of University fees which will need to be paid to allow seconded students to complete their registration.

During 2018/19 there will be the beginning of degree level apprenticeship training which will be cost neutral as it is offset by the Apprenticeship Levy resulting in a gradually decreasing figure of University fees needed in future years. A small amount is required to fund those courses which may not become Apprenticeship approved.

#### Note 2

NMET income is the payment to NTW to support the costs of HEE commissioned, pre-registration clinical placement of nurses and other professions. Nurses are the largest group of this type.

NMET funding is expected to reduce in line with overall NHS efficiency and the table above assumes an efficiency reduction each year, representing a 10% decrease in income.

This is the reason for the increase in 2021/22. This is a prediction only at this point in time.

This is a generous estimate of reduction. The amount may not reduce by as much as 10% and there will be additional income as non-HEE funded students (eg those following nurse degree level apprenticeships) also attract placement support costs from partner universities.



This **could** represent additional income of circa £80-90k per annum by year 3 which would mitigate the declining HEE income but this is unknown at this time (based on £1,500 per student, per annum and having 20 students per year in the system, rising to 60 in year 3)  
 This figure is indicative only and not relied upon in the above figures

### Return on Investment

The table below shows simply the net gain to NTW in terms of expected registered nurses retiring, and new entrants to the registered nurse workforce in the north east. The numbers are cumulative MH and LD registered nurses. **There are several assumptions in the table** which reflect the assumptions made in NTW's Workforce Plan submissions to Health Education England

Note – whilst there is still a gap, that gap is reduced from years 2 and 3 and illustrates a potential break-even position by year 4

	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22
Money invested	£146k	£203k	£109k	£166k
Workforce planning and whole time equivalent (wte) posts				
Predicted retirement	-110 wte (assuming expected retirement at a steady rate of 6% over 5 years)	-110 wte	-110 wte	-110 wte
Natural 'other' attrition in addition to the above	-40 wte (assumes current rate of circa 2-3% per year)	-40 wte	-40 wte	-40 wte
University <u>traditional</u> graduates in the NE	100 wte assumes minimum change to UNN throughput and assumes that NTW continues to recruit them all	100 wte	100 wte	100 wte
Academy-supported registered nurse graduates	0	9 x Open University (OU) graduates	6 x OU graduates 12 x seconded student graduates	30 x 'hosted' graduates 20 x Degree Level Nursing Apprenticeship graduates
Net position of wte posts	- 50 wte	- 41wte	- 32 wte	Potential break even
<u>Indicative</u> financial cost of these posts which is reflected in current agency	50 x <b>agency</b> registered nurses @ £43k = £2.15m  50 x <b>employed</b> registered nurses	41 x <b>agency</b> registered nurses @ £43k = £1.763m  41 x <b>employed</b>	32 x <b>agency</b> registered nurses @ £43k = £1.376m  32 x <b>employed</b>	0

	<p>spend</p>	<p>@ £33k = £1,65m</p> <p>Potential premium saving of £500k</p>	<p>registered nurses @ £33k = £1.353m</p> <p>Potential premium saving of £410k</p>	<p>registered nurses @ £33k = £1.056m</p> <p>Potential premium saving of £320k</p>		
<p>Consultation</p>	<p>This is an internal NTW development. Formal consultation by NTW is not required with external bodies as the universities retain this function as the education provider. There are a number of processes/working relationships already in place which have been explored and progressed to examine capacity, feasibility, suitability and acceptability at a number of levels to facilitate progress. These will be maintained as they have always been. Organisations having a role in the Nursing Academy include Sunderland University, Nursing &amp; Midwifery Council, Teeside University, National Apprenticeship Services, University of Northumbria at Newcastle (UNN). See internal approvals below</p>					
<p>Equality &amp; Diversity Impact Assessment</p>	<p>The Academy proposal conforms to NTW Workforce policies and other relevant policies. We value diversity in our workforce and are committed to increasing and improving employment opportunities for colleagues</p>					

	across all of the protected characteristic groups, notably those from BAME communities. We will explore the opportunities to support greater diversity in our workforce which may arise through the establishment of the Academy
Project Management Arrangements	Costs associated with the development and implementation of the Nursing Academy are funded as part of the recent NTW organisational restructure as part of the Academy Development post Governance is via the Academy Board, Chaired by the Executive Director of Nursing & Chief Operating Officer, accountable to BDG/CDT/Board as required.
Recommendation	Trust Board approval is sought to pursue option 2, the development of the NTW Nursing Academy

### **Proposed Timetable / Implementation Plan**

#### Approvals

- Business Delivery Group draft business case and approval to proceed – July 2017
- Trust Board - development discussion - October 2017
- Trust Board - first agenda discussion - November 2017
- Business Delivery Group – February 2018
- CDT – February 2018
- RABAC – next available agenda – date tbc
- Trust Board – final approval sought February 2018

#### Planning and Implementation

- Scoping work, initial plans, relationship development – April – August 2017
- Partnerships pursued April – December 2017 and into 2018 and beyond as they emerge and develop
- Opportunistic pathways pursued as they become available 2017/18/19
- Nursing Academy 'identity' launched - early 2018
- Gradual adoption of further options as they become NMC approved from 2018
- Full suite of options available - early 2019 (NMC timelines dependent)

#### **Approvals (date)**

<b>Operational Lead</b>	<b>Gail Bayes</b>
<b>Project Sponsor</b>	<b>Gary O'Hare</b>
<b>CDT</b>	<b>Expected February 2018</b>