Empowering the NHS: Challenges for the pandemic

In light of the Covid-19 outbreak and the increased pressure on the National Health Service (NHS), this briefing reflects on the UK’s preparedness for such a pandemic. We ask whether the NHS has been equipped to save lives. Have the Brexit referendum and recent austerity impeded investment in the NHS?

We focus on health workers, analysing the patterns and trends in NHS staffing levels and the role of foreign NHS workers, to understand the role of international migrants in the NHS. We show how migrants’ involvement in the NHS has evolved, and the effects of the June 2016 EU referendum.

This policy briefing provides an overview of the key points from a CPC report. The full findings and supporting data are available at: http://www.cpc.ac.uk/docs/2020_CPC_Report_Empowering_the_NHS.pdf

Key Points:

- **The UK has higher health expenditure as a share of GDP than the OECD average, but lower healthcare spending per person.**
- **Spending cuts over the last decade have suppressed the growth of the NHS workforce.**
- **The UK has much fewer doctors (2.8) and nurses (7.8) per 1000 people compared to other European countries.**
- **The UK is more dependent on foreign-born doctors and nurses than the OECD average.**
- **The UK needs to grow its NHS workforce to cope with the increase in its ageing population and in preparation for potential future global health crises.**

Improving knowledge on population change

 CPC.ac.uk
Introduction

During the worst phase of the COVID-19 outbreak, the UK government’s slogan was: stay home, save lives, protect the NHS. This message clearly shows that protecting the capacity of NHS services is vital for dealing with such a pandemic. Therefore, an important question is whether the NHS had been protected in the years leading up to the outbreak.

Main findings

Healthcare expenditure

To take stock of NHS funding and staffing, we examined the patterns and trends in healthcare spending in the UK. Figure 1 shows that, in 2018, UK expenditure on healthcare as a percent of GDP was higher than the OECD (Organisation for Economic Co-operation and Development) average, though behind most Western European and Nordic countries. However, healthcare expenditure in terms of GBP purchasing power parity per person was much lower. According to the ONS, in 2017, UK healthcare spending per person was the second-lowest among the G7 countries. Compared with other OECD countries, the number of doctors and nurses per 1000 population in the UK is much lower, and there is relatively low hospital bed availability.

Sources of healthcare funding in the UK don’t really explain the observed discrepancy between the UK’s higher health expenditure as a share of GDP and its relatively low healthcare spending per person. The majority of healthcare expenditure in the UK is publicly funded, currently amounting to 7.5% of GDP (and accounting for 77% of all health expenditure), which is slightly higher than the OECD average.

Over the last decade government expenditure on healthcare – measured as a percentage of GDP – has been stagnant, and growth rates in expenditures in real terms have dropped dramatically since the financial crisis (Figure 2).

Government expenditure on the health sector (in current prices) has been growing, although the increase has been less marked since 2010, growing by 3% on average since 2011. However, the average growth in real terms has only been 1.3%. Overall, our findings suggest that over the last decade the healthcare sector has been affected by austerity measures, and has not been provided with adequate public funding to enable it to grow and develop.

Demand for healthcare

The older population has been increasing steadily over recent years, with the share of those aged 65 and over constituting around 18.4% in 2018, up from 16.4% in 2010 and 15.9% in 2000. This increase is particularly steep after 2012, reflecting the large cohort of baby-boomers that turned 65 in that year.

These figures on population ageing suggest that the pressure on the healthcare system has been higher in recent years. For instance, in 2018-2019, the proportion of patients aged 65 and over using medical services was much higher than those aged 65 and under (Figure 3).

Health professionals

Against this background, a critical requirement is the availability of well-qualified health professionals. According to the ONS, in 2019 around 1.2 million people were
Employed in healthcare, making the NHS the UK’s biggest employer. Despite its large workforce, the NHS has been under pressure to meet the ever increasing demand for its services. Yet our findings have shown that the numbers of doctors and nurses per 1000 people have hardly increased over the last decade.

Since 2010 the number of NHS professionally qualified staff has grown annually by 1% on average, bringing overall growth since 2010 to around 10%. This growth has been predominantly driven by the increase in the number of doctors. The average annual increase in the number of nurses has been rather small; the increase has been around 0.3% with cumulative growth of about 4%. Such small increases fail to keep up with population growth and therefore do not translate into more doctors and nurses per head.

One potential explanation for the decline in the number of nurses is that the government abolished the student grants for nurses in England and Wales in 2017. Student grants were replaced with student loans and the cap on the number of nurses and midwives that could start their studies was removed. The government argued that the removal of the cap would provide an additional 10,000 nurses and other healthcare professionals for the NHS. Starting from September 2020, the government will bring back bursaries for nurses by providing annual grants of at least £5000 to students of nursing professions.

**International workforce**

The NHS workforce is very diverse and international, an aspect that has attracted public and media attention, particularly during the Covid-19 pandemic. Around 51% of doctors and 73% of nurses in England are from a white ethnic background. While Black, Asian and minority ethnic (BAME) groups constitute around 14% of the UK population and around 20% of total NHS staff, the proportion for NHS doctors is around 40%. For certain categories of doctors, the proportion of BAME is as high as 57%.

Healthcare professionals are one of the most globally sought-after labour forces. The UK is more dependent on foreign-born doctors and nurses than the OECD average. The proportion of foreign-born doctors and nurses in the UK is also higher than the majority of EU countries, with the average proportion of foreign-born doctors and nurses for the EU being 16% and 10%, respectively. The role of the non-UK health workforce has been steadily increasing since the early 2000s to 2019. The breakdown of healthcare professionals in the UK by country of birth reveals the growing importance of non-UK health professionals (Figure 4). EU member states have provided a steady supply of health workers, and so have non-EU countries, in particular Asian countries.
of UK doctors and nurses. The proportion of the medical workforce from Asia has increased since the referendum, which might be attributable to the government’s removal of the cap on hiring non-EU doctors amid concerns of doctor shortages.

Medical students

A key way to increase the NHS workforce is to train an adequate number of nurses and doctors. Statistics from the Higher Education Statistics Agency (HESA) suggest a stable number of UK-born medical students, with a slight increase in the number of students enrolling in medicine and dentistry in the last five years. However, the number of UK-born students newly enrolled in nursing has been decreasing, most likely reflecting the government’s abolition of nurses’ bursaries. It is worth noting, though, that the number of enrolled students does not indicate that, when they graduate, they will all enter the UK labour market. In fact, the number of medicine and dentistry graduates entering the UK labour market was stable up until the academic year of 2016/2017.

Conclusion

Although the UK has higher health expenditure as a share of GDP than the OECD average, it has lower healthcare spending per person. Spending cuts have clearly affected the NHS’s ability to meet increasing demand for healthcare.

Added to this, concerns over Brexit have reduced the number of EU health professionals. Our analysis suggests that, over the last decade, the healthcare sector has not been provided with adequate public funding to enable it to grow and develop. It has also been clearly affected by austerity measures since 2010, and uncertainty over Brexit. The UK’s ageing population has created additional demand on healthcare services and, coupled with stagnant government spending, this has likely increased the pressure on healthcare services. The UK needs to grow its workforce to cope with the increase in its ageing population and in preparation for potential future global health crises.

Policy implications

At this critical time, it is important for the UK government to “protect the NHS” by ensuring that spending on healthcare is growing in-line with an ageing population. It will be vital to nurture more medical students through training and, crucially for nursing students, through funding.

Furthermore, it is important that shortfalls in the domestic workforce are well-managed. The UK government needs to attract and retain foreign doctors and nurses to enable the UK to cope after the Covid-19 pandemic, through the Brexit transition, and to deal with any future global health emergencies.