This document relates to the Health and Care (Staffing) (Scotland) Bill (SP Bill 31A) as amended at Stage 2

Health and Care (Staffing) (Scotland) Bill

[As Amended at Stage 2]

Supplementary Financial Memorandum

Introduction

This Supplementary Financial Memorandum is published in accordance with rule 9.7.8B of Standing Orders to accompany the Health and Care (Staffing) (Scotland) Bill (introduced in the Scottish Parliament on 23 May 2018) as amended at Stage 2.

This Supplementary Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament. It should be read in conjunction with the original Financial Memorandum published to accompany the Bill as introduced.

The purpose of this Supplementary Financial Memorandum is to set out the anticipated costs associated with the new provisions included in the Bill following Stage 2. This document seeks to address any significant additional cost that will be incurred as a result of the amendments outlined below.

There are a number of new provisions which are not anticipated to carry substantial additional costs. These provisions and the reasoning for this are also outlined below.

This document relates to the Health and Care (Staffing) (Scotland) Bill (SP Bill 31A) as amended at Stage 2

Costs on other bodies, individuals and businesses

Costs on Health Boards

Duties to have real-time staffing assessments in place and to have risk escalation process in place

Sections 12IAA and 12IAB (inserted into the National Health Service (Scotland) Act 1978 by section 4 of the Bill) are linked and provide further clarity on how Boards will be expected to comply with the existing duty in 12IA to ensure appropriate staffing at all times. Health Boards already have governance procedures in place which assess and mitigate short, medium and long term risks associated with staffing. The provisions set out in 12IAB would clarify what is required as part of these procedures and make explicit where decision making should be informed by clinical advice and where this should be made transparent in the ongoing operation of the Board. It is not therefore anticipated that these provisions carry additional financial implications in relation to the procedure.

Boards will be required to raise awareness among staff about the procedures set out in sections 12IAA and 12IAB. This will largely be done through existing staff governance and management procedures however could be supplemented by national awareness raising campaigns run by Scottish Government with regional events held for the purpose of preparing Health Board staff. Costs for running a series of such events would be up to approximately £80,000 overall.

Duty to ensure appropriate staffing: number of registered healthcare professionals etc and Reporting on Staffing

The duties placed on the Scottish Ministers by inserted sections 12IAC and 12IE are linked and will require Ministers to publish how they use the information provided by Health Boards when setting national policies. The Scottish Government already works collaboratively with Health Boards to identify staffing requirements and feed this into national policy. The Scottish Government will continue to work closely with NHS Boards on their annual workforce and financial plans to identify and manage key emerging issues, including changes to staffing levels, and taking account of funding uplifts.

Inserted section 12IE already placed a duty on Health Boards to report on their compliance with the Bill on an annual basis. The amendments made

in relation to Health Boards set a more specific timescale for the publication of such a report but do not significantly change the content and therefore do not carry additional costs.

The Financial Framework[1] published in October 2018 sets out the medium-term financial planning assumptions for the NHS in Scotland, including estimated growth in demand and opportunities for delivering productivity improvements. This Bill will improve the robustness of the data which is fed into national workforce planning but does not change the financial considerations as set out in this framework.

Non-caseload holding status of senior nurses

Section 12IAD (inserted into the National Health Service (Scotland) Act 1978 by section 4 of the Bill) was added by amendment at Stage 2. That section places a duty on Health Boards to ensure that a senior registered nurse in each rostered location is non-caseload holding. Rostered location means an area such as a ward, operating theatre or community team providing nursing care. Caseload holding means a registered nurse required to meet the needs of a proportion of the patients in a rostered location.

Inserted section 12IAD will require Health Boards to ensure that there is a senior nurse in each rostered location (e.g. ward, team, operating theatre etc) over and above the workforce required to deliver the workload requirements in that area as determined using the common staffing method. In practice this is likely to be the senior charge nurse (SCN) / team leader (TL).

In order to identify the financial implications of this amendment it has been necessary to understand current practice and how much, if any, of the SCN/TL time is non-caseload holding and what if any backfill arrangements were in place to enable non-caseload holding. It is not currently possible to identify the number of rostered locations in Health Boards so an indicative cost for making all Band 7 nurses non-caseload holding has been estimated. There were 5,952 Band 7 in post in NHS Scotland in September 2018[2].

[1] https://www2.gov.scot/Resource/0054/00541276.pdf
[2]https://www.isdscotland.org/Health-Topics/Workforce/Publications/2018-12-04/Nursing-and-Midwifery.asp

The Executive Nurse Directors of six Health Boards provided information on what proportion of the SCN/TL role is currently non-caseload holding. Of the six responses, two reported SCN/TL role was 100% non-caseload holding, two reported 40%, one reported 60% and one reported 0%, which demonstrates significant variation in practice across NHS Scotland. It is difficult therefore to base assessment of the financial impact of this provision on these responses alone. However, based on a weighting across Scotland it has been assumed that across all Boards the current SCN/TLs have approximately 40% of their time as non-caseload holding.

Removing caseload from SCN/TL staff would require additional staff to be put in place to provide clinical care for patients. There is evidence that Agenda for Change (AfC) Band 2 administrative/housekeeping support can release approximately 40% (15 hours) of SCN/TL role. The remaining 60% of the role would be clinical or caseload holding and could be backfilled by AfC Band 5[3].

If, on average across all Boards, 40% of the time of SCN/TL is already non-caseload holding it has been assumed that at least a proportion of the remaining work is clinical caseload which would need to be backfilled with Band 5 staff. The estimated cost of backfilling the 36% of whole time equivalent (wte) Band 7 (60% of the role across the 60% of those who are still caseload holding) which is caseload holding across all Boards is estimated to be up to £**68,686,175** in 2019/20 rising to **£71,769,121 per annum** in 2020/21 to reflect AfC.

Important caveats to the estimated cost of backfill include the fact that some locations will have multiple Band 7 nurses (e.g. operating theatres) and only one will be required to be non-caseload holding and therefore backfilled. Conversely, in some smaller teams such as community teams, if the team leader no longer has a caseload holding role they would need to be replaced with someone of the same skill level to ensure the same quality of care is delivered. However, at this point, it is not possible to accurately determine the number of roster locations or the level of backfill required for each area. These factors will impact on the final cost and further work will be required to assess the current role and workload of the

[3]https://www.nursingtimes.net/roles/nurse-managers/freeing-up-senior-charge-nurses-time-through-admin-support/7023322.article

senior nurses to be made non-caseload holding and how they are organised across rosters.

It should also be noted that the estimated nurses required to backfill these positions would be over and above the recruitment of an additional 2,600 student nurses projected by 2021 and this would have to be factored into the annual planning of student places. In the short term this may lead to increased use of agency staff to fill the deficit and ensure Health Boards are compliant with this legislation.

Duty on Health Boards to ensure appropriate staffing: training of staff

Inserted section 12IAE places a duty on Health Boards to ensure employees receive appropriate training for the work they are to perform and suitable assistance, including time off work, for the purpose of obtaining further qualifications appropriate to their work. This would bring the duties on Health Boards in line with those already in place for registered care providers.

It is not possible to predict the cost of providing or procuring training as this is dependent on the format of training, which could range from online resources provided by NHS Education for Scotland to additional qualifications up to post-graduate degree level. However, where this provision may have an impact on the training provision, the cost of training in terms of the time taken and backfill required can be estimated and the impact of this has been broken down by each staff group.

Both consultants and doctors in training already have access to study leave which can be used toward continuous professional development (CPD). Consultants work to agreed job plans which include time for CPD activities. Any consultant requesting additional CPD will require to have this factored into their agreed job plan. Doctors in training work to an agreed training curriculum, regulated and approved by the General Medical Council, which enables them to gain the required standard and level of competency to practise safely, and they are fully supervised as they progress. While it would be for Health Boards to determine what is appropriate training and what is suitable assistance, there could be more than one interpretation and this may lead to additional CPD above the job plan or not directly related to fulfilment of any training curriculum therefore incurring additional financial cost to Boards and requiring the need to backfill service time lost.

The Nursing and Midwifery Workload Workforce Planning Programme (NMWWPP) tools include a 2% allowance for CPD which equates to 33 hours per whole time equivalent (wte) annually. The Nursing and Midwifery Council (NMC) require all registered nurses and midwives to undertake 35 hours of CPD every three years in order to maintain registration status therefore approximately one third of the annual allowance contained within the tools will be used for this. It is therefore considered that no additional cost for backfill for training will be associated with this provision in this staff group. As with training for doctors, while it would be for Health Boards to determine what is appropriate training and what is suitable assistance, there could be more than one interpretation and this may lead to additional CPD above the allowance factored in to the staffing tools therefore incurring additional financial cost to Boards and requiring the need to backfill service time lost.

It is recognised that the current allied health professions (AHP) and healthcare scientist workforce are afforded some time for CPD activity. However, no nationally available data is available on how much CPD is currently being undertaken. In addition, unlike the medical, dental, nursing and midwifery workforce there are no contractual agreements or nationally agreed allowances for CPD in these staff groups. For this reason, three approaches to the financial implications of this provision have been considered:

- Current CPD activity is appropriate and therefore no additional resource is required;
- A 1% increase in workforce is required to enable backfill of staff to attend CPD;
- A 2% increase in workforce is required to enable backfill of staff to attend CPD.

As of September 2018 the wte of allied health professions in post is 11,667 and healthcare scientists is 5,422. Table 1 shows the breakdown of AHP and healthcare scientists for each Agenda for Change (AfC) pay scale as a number of wte staff and the time required for 1% and 2% CPD as wte.

Table 1. WTE required in each AfC pay band for backfill for an additional 1 and 2%						
AfC Band	**AHP WTE**	**1% CPD WTE**	**2% CPD WTE**	**Healthcare Scientist WTE**	**1% CPD WTE**	**2% CPD WTE**
2	140.0	**1.4**	**2.8**	385.0	**3.9**	**7.7**
3	1096.7	**11.0**	**21.9**	889.2	**8.9**	**17.8**
4	630.0	**6.3**	**12.6**	368.7	**3.7**	**7.4**
5	1656.7	**16.6**	**33.1**	422.9	**4.2**	**8.5**
6	5390.1	**53.9**	**107.8**	1778.4	**17.8**	**35.6**
7	2146.7	**21.5**	**42.9**	997.6	**10.0**	**20.0**
8A	431.7	**4.3**	**8.6**	330.7	**3.3**	**6.6**
8B	116.7	**1.2**	**2.3**	151.8	**1.5**	**3.0**
8C	46.7	**0.5**	**0.9**	70.5	**0.7**	**1.4**
8D	11.7	**0.1**	**0.2**	43.4	**0.4**	**0.9**
9	0.0	**0.0**	**0.0**	10.8	**0.1**	**0.2**

This ratio will be used to calculate the cost for backfill at mid-point in the AfC pay scale with 20% employers' costs added. The rationale for this is that although it is recognised that staff attending CPD may be backfilled by staff on a lower grade on occasion, it was not possible to identify how often this would happen. In addition, there is not always a requirement to backfill some more senior posts. The cost for backfill may therefore be an over estimation. Table 2 identifies the total cost per AfC band for backfill for an additional 1 and 2 % in these staff groups.

Table 2. Total cost per AfC band for backfill for an additional 1 and 2 % in Allied Health Professions and Healthcare Scientists.								
AfC Band	**Total 1% CPD**	**2019/20 Cost £**	**2020/21 Cost £**	**2021/22 Cost £**	**Total 2% CPD**	**2019/20 Cost £**	**2020/21 Cost £**	**2021/22 Cost £**
2	5.3	120,000	130,000	130,000	10.5	240,000	260,000	260,000
3	19.9	480,000	540,000	540,000	39.7	960,000	1,080,000	1,080,000
4	10.0	280,000	300,000	300,000	20.0	550,000	600,000	600,000
5	20.8	670,000	700,000	700,000	41.6	1,340,000	1,400,000	1,400,000
6	71.7	2,860,000	2,870,000	2,870,000	143.4	5,710,000	5,730,000	5,730,000
7	31.4	1,500,000	1,550,000	1,550,000	62.9	2,990,000	3,090,000	3,090,000
8A	7.6	440,000	460,000	460,000	15.2	870,000	910,000	910,000
8B	2.7	190,000	200,000	200,000	5.4	370,000	390,000	390,000
8C	1.2	100,000	110,000	110,000	2.3	190,000	210,000	210,000
8D	0.6	60,000	60,000	60,000	1.1	110,000	120,000	120,000
9	0.1	20,000	20,000	20,000	0.2	30,000	30,000	30,000
Total		**6,720,000**	**6,940,000**	**6,940,000**		**13,360,000**	**13,820,000**	**13,820,000**

The estimated cost of this provision across all Health Boards in relation to the AHP and healthcare scientist workforce could be up to approximately **£13,360,000** rising to **£13,820,000 per annum** in 2020/21 dependent on current CPD activity being afforded in the service.

Duty to follow common staffing method

The amendments made to inserted section 12IB served to clarify the common staffing method and do not change how it would operate. As set out in the Financial Memorandum, staff have been put in place in all Health Boards to support each Board in implementing this legislation and provide guidance on the operation of the common staffing method. Therefore, there are no additional costs associated with these amendments.

Costs on Healthcare Improvement Scotland

Functions and duties placed on Healthcare Improvement Scotland

Section 5A of the Bill inserts seven provisions into the National Health Service (Scotland) Act 1978 which will create functions and duties for Healthcare Improvement Scotland ("HIS") in relation to the development and review of staffing tools and monitoring compliance with the staffing

duties. Part of the function of HIS in developing new staffing tools will be to consider whether the tool should apply to more than one professional discipline.

In the Financial Memorandum accompanying the Bill as Introduced, the costs falling on the Scottish Administration related to development and maintenance of staffing tools and the infrastructure of the NMWWPP. As set out in the Financial Memorandum it was anticipated that the NMWWPP infrastructure would be moved to NHS Healthcare Improvement Scotland (HIS) and the associated costs would therefore transfer to it. In light of the explicit functions given to HIS, the cost associated with the infrastructure have been revised.

It was initially forecast that three wte Band 8A posts would be required to provide strategic advice on full use of the tools, associated and required governance structures, risk assessment, prioritisation and opportunities for redesign. To address the increased remit of HIS it is estimated that an additional two Band 8A posts will be required.

In order to build expertise within HIS for the analysis required for development and maintenance of tools in addition to ensuring effective use of the common staffing method throughout Health Boards, the planned Band 8A senior analyst post has been upgraded to a Band 8C post and the administrative support upgraded from Band 2 to Band 4. Additional input will be required from medical and allied health professions therefore the equivalent of 1 wte Band 8A has been accounted for.

All pay scales have been revised to reflect the updated Agenda for Change pay scales which have been agreed up to 2021.

Development of multi-disciplinary tools

Each of the staffing tools developed requires an observation study to be carried out as set out in Table 2 of the Financial Memorandum accompanying the Bill as Introduced The duty placed on HIS to consider whether a tool should be multi-disciplinary, and the reference to “promoting multi-disciplinary services as appropriate” is anticipated to result in an increased number of multi-disciplinary tools. It is also anticipated that, as part of the continuous review process for existing tools, a number of the existing tools will be revised to become multi-disciplinary. This is likely to have an impact on the scale of observation studies required as a broader

range of work will need to be observed and measured to reflect the diverse contributions of multiple professions to patient care.

As set out in Table 1 of the Financial Memorandum accompanying the Bill as Introduced, it is anticipated that an average of one staffing tool per year will be developed over the period of 2019 to 2024 at a cost of £538,185 per tool. The cost of the observation study, £393,594, is included within this. It is estimated that an observation study which includes multiple staff groups will take up to twice as long to carry out. The cost of development for each tool would therefore increase to £931,779. Table 3 sets out a revised estimate of the costs associated with the role of HIS.

Table 3. Original and Revised costs for Healthcare Improvement Scotland					
	2019/20	**2020/21**	**2021/22**	**2022/23**	**2023/24**
Original estimated cost for Healthcare Improvement Scotland					
Existing NMWWPP Infrastructure (Staff)	£464,358	£464,358	£464,358	£464,358	£464,358
NMWWPP Infrastructure Expansion	£572,083	£413,577	£255,071	£255,071	£255,071
Tool Development	£538,185	£538,185	£538,185	£538,185	£538,185
IT Maintenance	£100,000	£100,000	£100,000	£100,000	£100,000
IT Updates	£15,000	£15,000	£0	£0	£0
Total costs (original)	**£1,689,626**	**£1,531,120**	**£1,357,614**	**£1,357,614**	**£1,357,614**
Revised and Additional costs for Healthcare Improvement Scotland					
Existing NMWWPP Infrastructure (Staff)	£449,504	£467,884	£467,884	£467,884	£467,884
NMWWPP Infrastructure Expansion	£750,032	£786,905	£786,905	£786,905	£786,905
Tool Development	£931,779	£931,779	£931,779	£931,779	£931,779
IT Maintenance	£100,000	£100,000	£100,000	£100,000	£100,000
IT Updates	£15,000	£15,000	£0	£0	£0
Total costs (revised)	**£2,246,315**	**£2,301,568**	**£2,286,568**	**£2,286,568**	**£2,286,568**
Difference	**£556,689**	**£770,448**	**£928,954**	**£928,954**	**£928,954**

Costs on Social Care and Social Work Improvement Scotland

Sections 82BA and 82BAA (inserted into the Publics Services Reform (Scotland) Act 2010 by section 10 of the Bill) require Social Care and Social Work Improvement Scotland (SCSWIS) to keep any staffing method under review. No tool has yet been developed for care homes however the Scottish Government expects that the review process would follow the same continuous improvement approach as taken with the tools for nursing and midwifery. SCSWIS would continually consider the effectiveness and relevancy of the method as part of its continuous improvement approach to providing oversight for registered care services. Costs for additional staff

for SCSWIS were factored in to the Financial Memorandum accompanying the Bill as Introduced.

Should SCSWIS decide that a tool requires to be completely redeveloped it is assumed that the costs would be equivalent to the cost for the production of a tool, as set out in the Financial Memorandum accompanying the Bill as Introduced. However, as is the case for the existing tools in health, it is more likely that any changes would be minor. The original Financial Memorandum sets out the cost of tool maintenance as £100,000 per annum for the 11 staffing tools and one professional judgement tool. It can therefore be assumed that maintenance costs for a tool for care homes for older people would be up to approximately £8,300 per annum.

Conclusion

The Supplementary Financial Memorandum sets out the Scottish Government's initial estimation of the costs implications for Health Boards associated with section 5A of the Bill and sections 12IAD, 12IAE (as inserted into the National Health Service (Scotland) Act 1978 by section 4 of the Bill). Further work will be required to determine the role of the non-caseload holding senior nurse and how workload and workforce planning will accommodate this. Similarly, further work will be required to understand the existing training provision for allied health professions and healthcare scientists.

This document relates to the Health and Care (Staffing) (Scotland) Bill (SP Bill 31A) as amended at Stage 2

Health and Care (Staffing) (Scotland) Bill

[As Amended at Stage 2]

Supplementary Financial Memorandum

Produced and published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish Parliament website at:
www.scottish.parliament.scot/documents

SP Bill 31A–FM Session 5 (2019)