



**An Roinn Caiteachais
Phoiblí agus Athchóirithe**
Department of Public
Expenditure and Reform

Spending Review 2018

Health Expenditure: Nursing & Midwifery

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This paper has been prepared by staff in the Department of Public Expenditure & Reform. The views presented in this paper do not represent the official views of the Department or the Minister for Public Expenditure and Reform.

Key Findings

1. Nursing Capacity in Q1 2018 now exceeds pre-crisis Q4 2007 levels by 397 Full Time Equivalents (FTE)

This is based on directly employed nurses and midwives, agency employed nurses and midwives combined with the additional hours worked under the Haddington Road Agreement.

2. Since the recruitment moratorium was lifted in 2014 expenditure on directly employed nurses and midwives has increased by 8.1% or €168m.

The 2017 expenditure on nurses and midwives is €2.2bn up from €2bn at end 2013. This represents 32% of the total €6.9bn pay bill for the HSE.

3. This has been driven by a 10.5% or 3,560 FTE increase in nursing and midwifery numbers since 2014.

Between Q4 2013 and Q1 2018, on a like for like basis, the number of nurses and midwives in the Irish public health system has increased from 33,768 to a total of 37,328 FTE.

4. Increases in the number of nurses and midwives directly employed since 2014 have not resulted in a reduction the HSE expenditure on agency nurses and midwives which remains 85% above 2007 levels.

Expenditure on agency nursing has increased from €54m in 2007 to €100m in 2017. This represents an estimated additional 639 agency nurses. Continued reliance on agency staffing is a concern.

5. Productivity improvements have increased nursing capacity by an estimated 1,436 FTE by Q1 2018.

Under the Haddington Road Agreement public servants agreed to work additional hours. This equates to an estimated additional 2.6m extra nursing hours per year.

6. Numbers of Health Care Assistants has increased by 73% since 2014 or 130% since 2007.

Health Care Assistants are employed to support the nursing and midwifery grades and facilitate nurses and midwives to focus on core tasks. Numbers in this grade have increased rapidly from 2,132 in Q4 2007 to 4,902 in Q1 2018.

7. Longer term compositional changes are evident with a 57% or 2,809 increase in the numbers of senior, advanced and specialist nurses and midwives since 2007.

This reflects both the impact of the moratorium (with greater numbers progressing to senior staff roles based on experience) and active recruitment of advanced and specialist staff. Overall the proportion of senior, advanced and specialist nurses and midwives has increased from 13% of the cohort in 2007 to 21% of the cohort in Q1 2018.

8. When managerial nurses and midwives are included with the senior, advanced, specialist roles above, these positions account for 40% of the total number of nurses and midwives. This illustrates the range of positions now available to nurses and midwives for career and salary progression.

In Q1 2018 there are 7,357 nurses and midwives working in managerial grades, the majority of which are patient facing roles. These are in addition to the 7,749 working in senior, advanced and specialist grades listed above.

9. Numbers of nurses per capita appear high compared to other countries, especially considering the younger demographic profile of the Irish population and notwithstanding the growth in the population since 2007.

Controlling for differences in demographic structures, the age adjusted number of professionally active nurses in Ireland is the 4th highest in available OECD data.

10. Net Inflows of nurses and midwives trained outside of Ireland remain strong at +2,598 registrations since 2014.

Official data from the Nursing and Midwifery Board of Ireland shows that the number of Irish trained nurses and midwives (both public and private) indicating an intention to emigrate has remained stable since 2014 whilst the number of foreign trained nurses and midwives registering to practice in Ireland has increased in the same period. Of these, the majority (54%) are EU citizens, with large increases evident from the United Kingdom. This has resulted in an estimated net gain of 2,598 nurse and midwife registrations since 2014.

11. Domestic demand for undergraduate nursing and midwifery qualifications is also high, with an average 2.9 CAO applications for each available course place.

This level of application has remained stable despite a 17% increases in available undergraduate places between 2015 and 2017.

12. Outflows of nurses and midwives from the Irish Public Health system are modest in both an Irish labour market context, and compared internationally.

The average turnover rate of the nursing cohort in the HSE in 2017 was 5% (excluding retirements) or 6.8% (including retirements). This is lower than the general turnover rate in the Irish labour market, which was estimated by IBEC to be 7.1% in 2016. It is also considerably lower than turnover rates in nursing in the UK (15%), and Australia (15.1%) where turnover rates are calculated with methodologies consistent with Ireland.

13. Nursing and midwifery salaries are competitive, with an effective basic starting salary of €30,178 which compares favourably with an average graduate starting salary of €28,554.

Starting salaries for nurses and midwives at €30,178 based on the incremental credit received for their student placements. As noted below, a nurse or midwife on the first point of the staff scale could earn an estimated additional €6,035 in allowances and premia payments, bringing total remuneration to over €36,000.

14. Opportunities for salary progression exists with 83% of nurses and midwives earning over €40,000 basic salary.

Upward salary progression occurs on an annual basis under the current system of increments and further opportunities exist through promotion with 46% of nursing grades on salary scales that start above €40,000.

15. Nursing and midwifery allowances and premia payments are estimated to contribute an additional 20% on top of basic salary.

HSE estimate an average staff nurse and midwife earns €11,264 per year in allowances and premia payments. This also provides opportunities for salary enhancement through additional duties.

16. International evidence suggest that nursing and midwifery remuneration in the Irish Public Health system is high comparatively.

Compared to a new entrant nurse in the English NHS, a new entrant nurse in Ireland earns 21% more in basic pay based on current exchange rates. While allowances and promotional opportunities differ across jurisdictions, a nurse at the top of the HSE staff nurse scale would earn 39% more than a nurse at the top of the NHS England Band 5 scale. More broadly, OECD nursing remuneration data show that, in purchasing power parity terms, Irish nursing pay (including allowances and premium payments) between 2007 and 2017 was consistently on a par with Australia and higher than New Zealand, Canada and the UK.

1. Introduction

At an estimated €2.2bn in 2017, directly employed nurses and midwives are a core component of overall Health expenditure. Since the recruitment moratorium ended in 2014, the numbers of nurses and midwives has grown by 3,560 or 10.5% to 37,328. This has been a primary driver of an associated growth in expenditure of €168m. Population growth (9.5% from 2007 to 2017) and demographic change are substantial factors in the requirement for this growth.

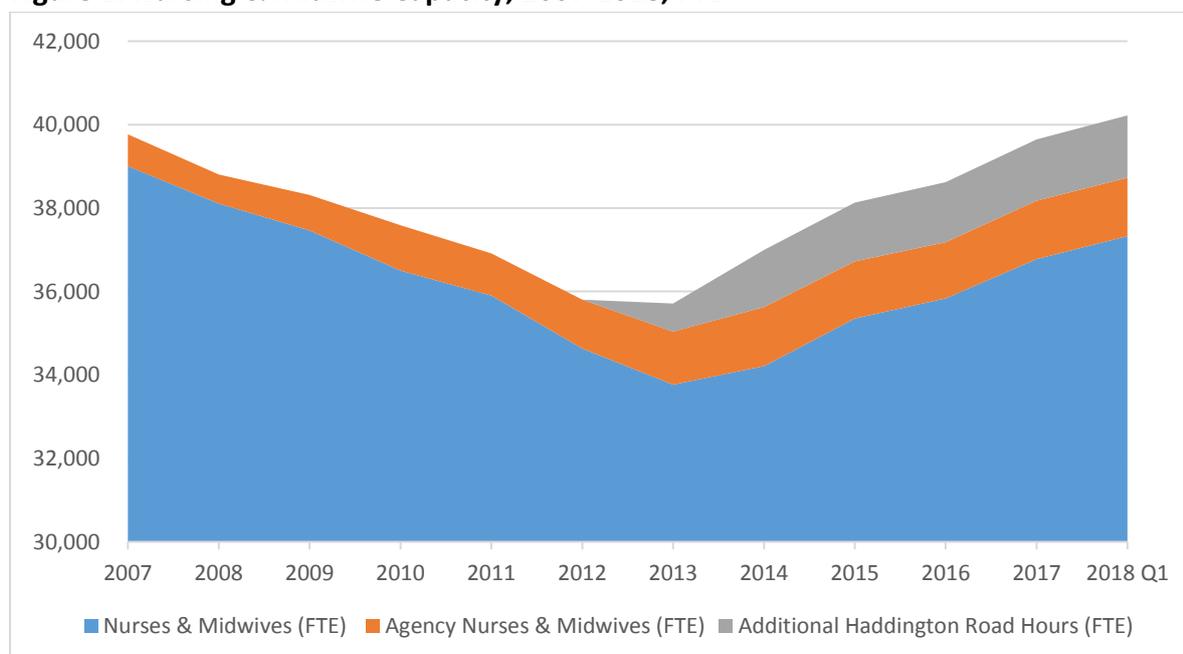
In the context of continued constraint in available resources, this paper - as part of a wider spending review process - aims to examine current expenditure on nursing and midwifery grades. The primary focus will be on inputs: additional numbers in nursing, midwifery and the ancillary health care assistant grade. It will also track the compositional changes that have occurred, with increasing numbers of managers, specialist, advanced and senior staff. Finally the competitiveness of the associated pay rates will be briefly explored.

2. Nursing & Midwifery: Numbers Employed & Associated Grades

There are 37,328 whole-time equivalents (FTEs) nurses and midwives employed in the Irish Public Health system at the end of Quarter 1 2018¹. This represents approximately a third of the HSE workforce and a tenth of the overall public service.

Over the last decade since the onset of the crisis in 2007 there has been two distinct phases – consolidation and recovery – in respect of the nursing and midwifery workforce, mirroring broader trends in public service numbers.

Figure 1: Nursing & Midwife Capacity, 2007-2018, FTE



Source: DPER Administrative Data

¹ This is adjusted to count Student nurses at a comparable 0.5FTE. In the absence of this adjustment the total is 38,002 FTE.

Figure 1 above charts these changes over time. It shows that, when the numbers of nurses and midwives are considered with 1) the increase in agency nurses and midwives and 2) the additional hours worked by nurses under the Haddington Road Agreement, combined capacity has increased since 2007.

This straightforward comparison of nursing and midwifery capacity ignores compositional changes within these grades. It also ignores the availability of a much greater quantum of support from Health Care Assistants in the health system which will be explored in subsequent sections.

Table 1: Changes in Nursing Staffing levels Pre-Crisis to Present

	2007	2013	2018 Q1
Nurses & Midwives	39,006	33,768	37,328
Agency Nurses & Midwives	761	1,268	1,400
Additional Hours FTE*		649**	1,436
Total	39,767	35,686	40,164

Source: DPER Administrative Data and authors calculations

*Additional Hours FTE calculated based on 1.5 extra hours per week, 39 hour week per nurse, 47 weeks per year.

**Additional Hours introduced July 2013

2.1 Numbers Consolidation: Q4 2007 – Q4 2013

Between 2007 and 2013 there was a drop of 5,238 FTE nurses and midwives in the Irish public health system.

This was partially offset by increases in:

- Additional hours worked under the Haddington Road Agreement (+649 FTE)
- Agency nursing staff (+507 FTE)

The net effect therefore was a reduction of 4,081 FTE in the resourcing level of nurses, midwives in the Irish public health system.

2.2 Numbers Growth: Q4 2013 – Q1 2018

Since 2014 there has been a considerable increase in the level of resourcing and capacity of the health sector, with strong growth in the nurse & midwife grade (+10.5%) and the estimated agency nurse and midwife resource (10.4%).

- HSE nurses (+3,560 FTE)
- Additional hours worked under the Haddington Road Agreement (+786 FTE)
- Agency nursing staff (+132 FTE)

Taken together this reflects an increase of 397 FTE on Q4 2007.

Importantly this reflects just the additional numbers employed within the system. Actual recruitment has been considerably higher in order to cover leavers and retirements “below the line”. Based on data collected from the HSE as part of the report on the “Examination of Remaining Salary Scale Issues in Respect of Post January 2011 Recruits at Entry Grades²” an estimated 9,863 nurses and midwives have been hired between January 2011 and December 2017, who remain in the nursing and midwifery staff grades.

2.3 Nurse & Midwife: Agency Staff

The number of agency nurses and midwives is estimated based on overall HSE expenditure on agency staff. It is possible to provide an approximate number of agency staff through a calculation based on an estimated average annual cost of agency staff.

In the case of nurses, the HSE has estimated the average annual cost of an agency nurse and midwife at €71,500 (including the agency fee) per annum. Dividing the associated agency expenditure by this cost gives an approximation of agency nurse and midwife numbers.

Continued growth in the number of agency staff employed since 2013, in parallel to the overall growth in numbers of nurses and midwives is noteworthy.

Table 2: Agency Spend & Estimated FTE numbers 2011-2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agency Spend €m	54	50	60	77	72	83	90	102	98	96.5	100
Est. FTE	761	700	845	1,085	1,014	1,169	1,268	1,420	1,367	1,349	1,400

Source: Based on data provided by the Department of Health

In future central monitoring of the actual numbers of agency staff contracted would improve data for expenditure monitoring and management in this area.

2.4 Nurse and Midwife: Productivity Improvements and Reform

A series of measures to deliver additional capacity and productivity have been introduced in the last decade including³:-

- Director level staff took on additional areas of responsibility.
- Nurse management and general staff nurse levels were reduced to a similar ratio to that of the private sector.
- Advanced nurse practitioners were introduced in targeted services to substitute for service Doctor posts.
- The role of nursing across all care settings was expanded to include IV fluid balance, blood transfusion, and other services
- Nurses moved from 12-hour to 6-hour shift blocks, enabling greater flexibility and cover

² <http://www.per.gov.ie/wp-content/uploads/Report-to-Oireachtas-on-New-Entrant-Salary-Scale-Issues.pdf>

³ implementationbody.gov.ie

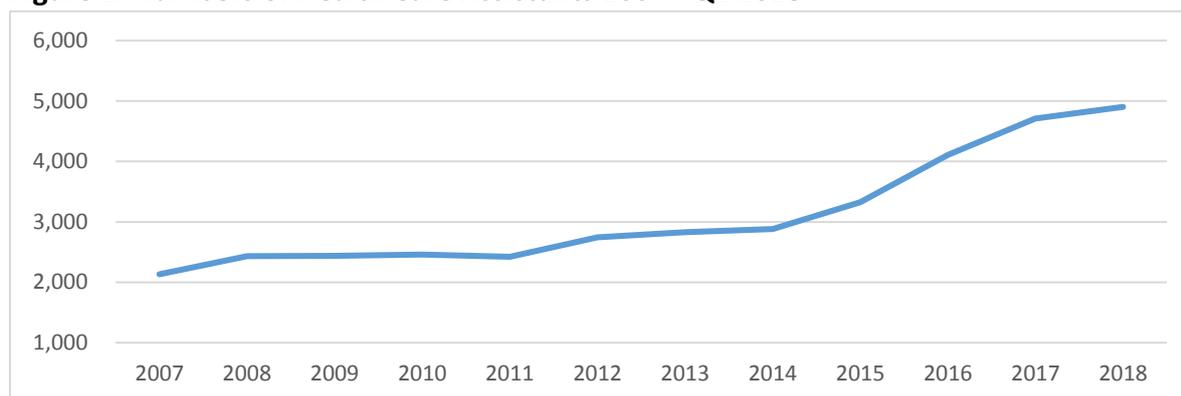
Furthermore, under the ‘Haddington Road Agreement’, public servants agreed to work additional hours per week. Staff working 35hrs (or less) moved to working 37hrs (net of rest breaks), while staff working over 35hrs but less than 39hrs moved to working 39hrs (net of rest breaks). In the case of staff nurses, this meant an additional 1.5 hours per week⁴. Based on Q1 2018 staffing levels, this equates to approximately 2.6m additional hours of nursing capacity per annum.

2.5 Health Care Assistants

In tandem with the compositional shift to a higher proportion of nurses and midwives operating at an advanced, senior, specialist or managerial capacity, the number of Health Care Assistants have also increased by 130% or 2,770 FTE since 2007.

While Health Care Assistants are not qualified nurses or midwives, they are specifically recruited to support these grades by undertaking many of the tasks historically performed by nurses and midwives. As such the recruitment of additional Health Care Assistants since 2007 facilitates nurses and midwives to focus on core tasks.

Figure 2: Numbers of Health Care Assistants 2007 - Q1 2018



Source: DPER Administrative Data

2.6 Nurse and Midwife: Advanced, Specialist and Senior Staff

Over the last decade, nursing and midwifery staff profiles have transformed. Within the overall number of nurses, there has been significant compositional shift towards advanced and specialist grades such as ‘Advanced Nurse/Midwife Practitioner’ (ANP/AMP) and ‘Clinical Nurse/Midwife Specialist’. In total the numbers in these grades have grown strongly since 2007, increasing by 920 from 833 in Q4 2007 to 1,753 in Q1 2018, an increase of 110%. The category of ‘Senior Staff Nurse/Midwife’, which is awarded on the basis of length of service and reflects experience in the role⁵, has also significantly exceeded 2007 levels, with an additional 2,097 FTE. Senior Staff Nurse status is automatically acquired after a specified period as a Staff Nurse; there are not additional duties or responsibilities attaching to these

⁴<http://www.budget.gov.ie/Budgets/2018/Documents/2.Estimating%20the%20Value%20of%20Additional%20Hours%20Worked%20-%20HRA%20and%20CPA.pdf>

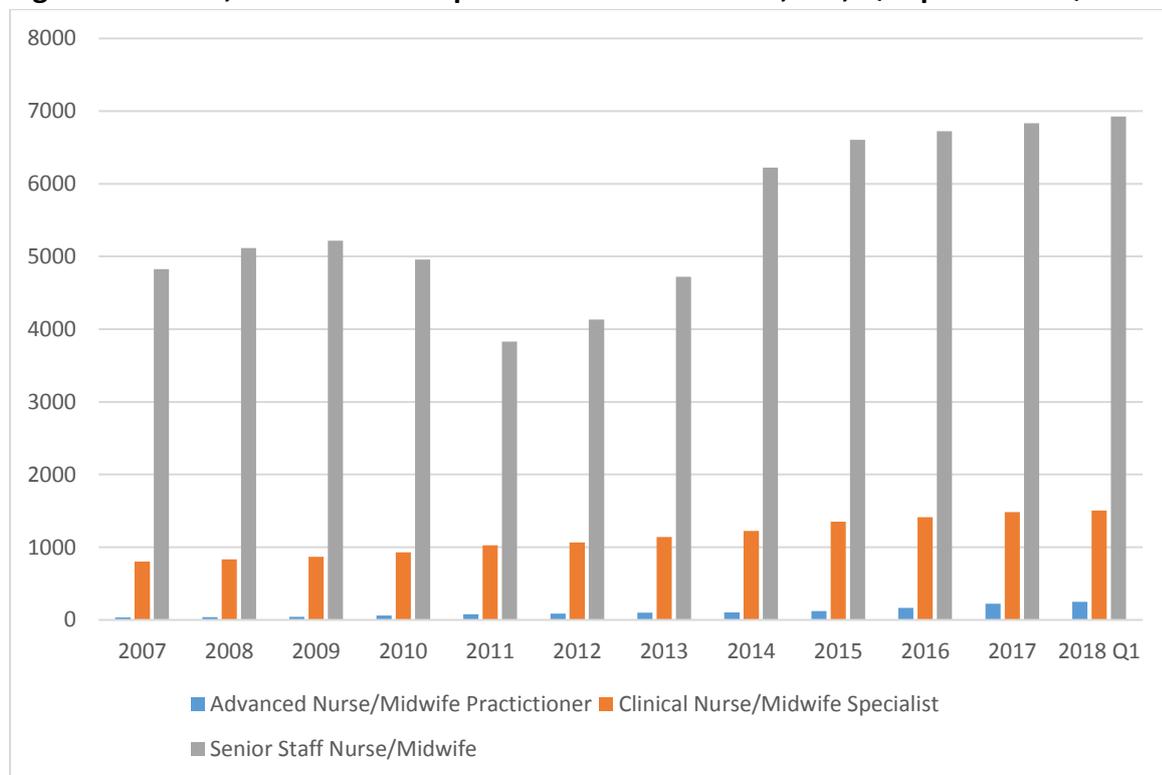
⁵ For expenditure-control reasons, Health employers did not appoint any nurses or midwives with 20 years’ service to the grade of senior staff nurse or midwife between 2009 and 2013. These staff were appointed to the grade after the implementation of the Haddington Road agreement in July 2013

posts but it does provide additional opportunities for salary progression and recognition of seniority and experience.

Taken together there has been a 57% increase in the number of advanced, specialist and senior staff since 2007 and the proportion of nurses and midwives employed in these roles has increased from 13% to 21% of the total cohort. It is the stated policy of the Department of Health to grow the ANP and AMP workforce to a critical mass of 700 WTE in the short term.

An added benefit of the increase in senior and specialist roles is that they provided defined career pathways for clinically based nurses and midwives offering further opportunities for career and salary advancement.

Figure 3: Senior, Advanced and Specialist Staff 2007-2018, FTE, Q4 apart from Q1 2018



Source: DPER Administrative Data

2.7 Nurse and Midwife: Managerial Roles

In addition to the nurses and midwives in advanced specialist and senior staff nurse or midwife roles detailed above it should be noted that a further 7,357 FTE employed in Clinical Nurse/Midwife, Assistant Director of Nursing and Director of Nursing grades in Q1 2018. This represents an extra 195 FTE, or 3% compared to the number employed in 2007. Overall therefore there is approximately 15,107 FTE staff in senior staff nurse, specialist or managerial positions representing approximately 40% of the total nursing and midwifery cohort.

2.8 International Comparisons

When examining nursing and midwifery staffing levels it is useful to position within an international context. Using OECD data it is possible to compare the level of professionally active nurses per capita across countries. Figure 4 below shows this on an unadjusted and age adjusted basis. As the role of nurses is not absolutely the same across jurisdictions, this should be considered indicative rather than conclusive.

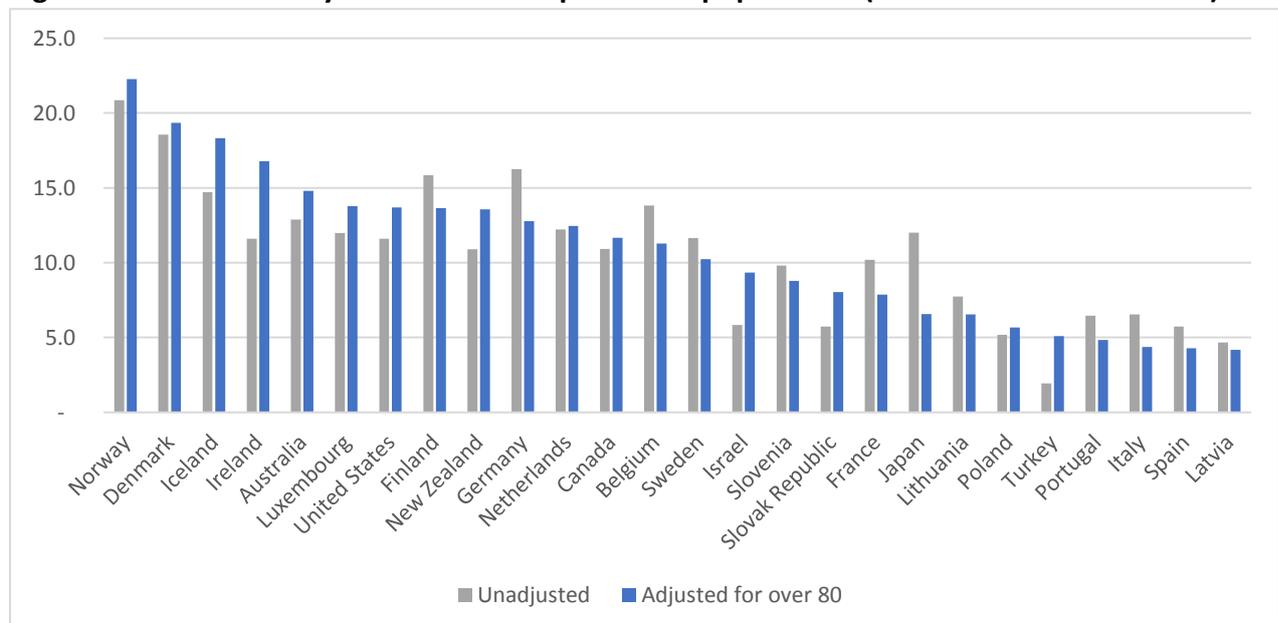
On an unadjusted basis, Ireland has an above average number of nurses - higher than France, New Zealand and Canada for example. However, Ireland has a much younger demographic profile and, as the European Commission notes, “the demand for health care goods and services... is linked to the age and gender structure of the population and notably with the share of elderly people in the overall population. This is because older people often develop multi-morbidity conditions, which require costly medical care”.

As a result it is appropriate to apply an age adjustment to the figures to control for the differing demographic structures of the various countries, in this case the proportion of the population over 80. This age adjustment is carried out in line with a methodology employed in the “Efficiency of Public Expenditure” spending review paper using the following formula:

$$\text{Age Adjusted} = \left(\frac{\text{Average Share of over 80 Population}}{\text{Country share of over 80 population}} \right) \times \text{Nurses per 1,000 population}$$

On this basis it shows that, given the younger population structure, Ireland (16.8) has one of the highest levels of nursing internationally, behind only Norway (22.3), Denmark (19.3) and Iceland (18.3) in this sample.

Figure 4: Professionally Active Nurses per 1000 population (2017 or latest available)



Source: OECD

However, international comparisons should be treated with caution. The OECD statistics on nurses include those employed in public and private settings and also those working in the health sector as managers, educators, researchers, etc.

3. Nursing and Midwifery: Inflows and Outflows

In order to investigate whether the current increases in the numbers of nurses and midwives are sustainable, it is necessary to examine domestic and international inflows to the profession combined with available exit data.

3.1 Domestic Inflows

To increase nursing and midwifery supply, in both 2016 and 2017 there have been substantial increases in undergraduate provision as outlined in Table 3 below. As this supply comes on-stream over the next 4 years there will be a total of 260 (17%) additional nurses and midwives trained on an annual basis.

Table 3. Nursing & Midwifery Undergraduate Supply

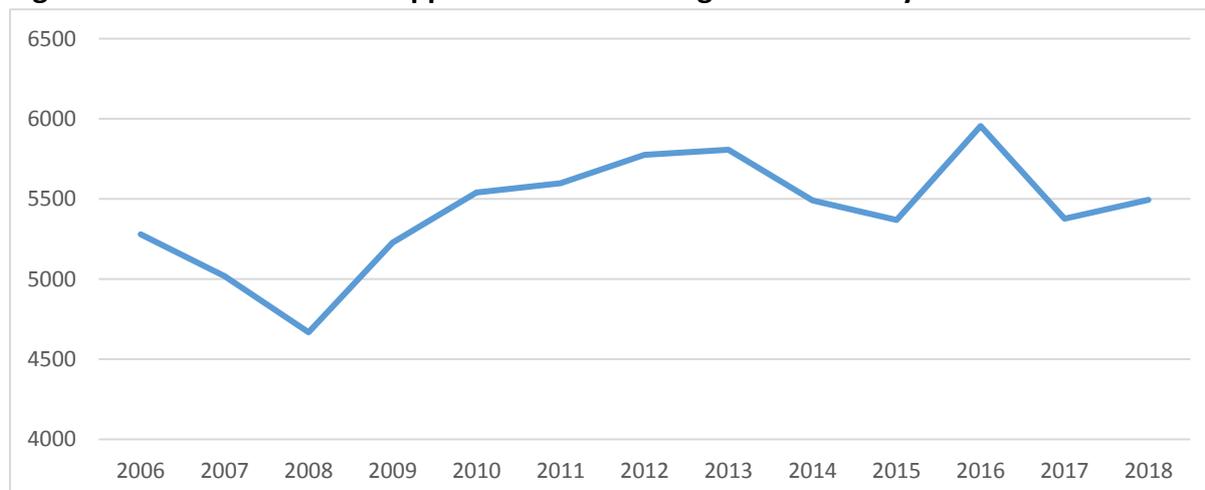
	2015	2016	2017	Change 2015-2017	%
Integrated Gen & Child	100	100	140	40	40%
General	860	860	920	60	7%
Mental Health	290	350	420	130	45%
ID	180	180	210	30	17%
Midwifery	140	140	140	0	0%
Total	1570	1630	1830	260	17%

Source: Department of Health Data

As an indication of continued demand to enter the nursing and midwifery professions, the increased total of 1,830 places were filled in 2017.

The relative attractiveness of nursing and midwifery for second level students is further evidenced by the stable pattern of CAO first preference applications to NFQ Level 8 nursing courses shown in Figure 5. Over the period 2006 to 2017 there was an average of 5,430 applications per annum, with a total of 5,376 first preference applicants in 2017 representing 2.9 applicants for each available place.

Figure 5: CAO 1st Preference Applications for Nursing and Midwifery



Source: CAO Applicant Statistics

In general, following a four year degree course, a successful graduate of a Level 8 nursing course is qualified to register with the NMBI and practice as a nurse within the Irish health system. Of the 1,167 nursing and midwifery graduates in 2017, a total of 862 took up posts in 2017, with a further 77 accepting permanent contracts as of June 2018. This means approximately 80% of the 2017 cohort have progressed into employment with the Irish publically funded health system.

In addition, there are four further education programmes, at post graduate level, that allow for entry to the NMBI register. There have been further increases in these programmes, in relation to Public Health Nursing. These are;

- Post Graduate Diploma in Public Health Nursing – 108 sponsored places in 2016, increased to 140 places in 2017 with progressive increases over the years 2017-2019 to 160 places;
- Post Graduate Diploma in Children’s Nursing – 85 places annually;
- Post Graduate Diploma in Midwifery – 101 places annually.
- Higher Diploma in Mental Health Nursing – 40 places annually (this programme was reintroduced in January 2017).

All of the above point to increasing potential supply of nurses to the Irish public health system.

Nursing remains an attractive profession in Ireland. However, a qualification in nursing or midwifery is a highly exportable skill, with Irish-trained nurses and midwives much sought after internationally.

3.2 Domestic Outflows

The primary source of data on nursing and midwifery outflows is HSE turnover statistics which have been centrally recorded since 2016. Before that turnover statistics were compiled at the hospital level. As can be seen below, whether retirements are included or excluded, overall nursing turnover at 6.8% (included) or 5% (excluded) is low and well within normal parameters. Although only two years of data is currently available, it does show improvement from 2016 to 2017.

It should be noted that the HSE captures all staff exits from individual locations as turnover. In effect, this methodology would count nursing staff moving between different publicly funded hospitals as turnover. Therefore it is likely that the rate of nursing turnover for the publicly funded health system as a whole is lower than the rates presented here.

Compared to turnover rates in the wider labour market, domestic research from IBEC, using data from 423 companies and 72,207 employees found the average Employee Turnover Rates in 2016 to be 7.17%, with an upper quartile rate of 10.91%⁶. Again the HSE data shows hospital staff turnover rates below this average.

⁶ IBEC. (2017) IBEC Employee Turnover Report 2017.

Table 4. Nursing Turnover 2016-2017 (excluding students*)

Turnover	Nurse Manager	Nurse Specialist	Staff Nurse	Public Health Nurse	Nursing (other)	Nursing (total)
2016	5.7%	3.4%	7.7%	3.3%	5.6%	8.2%
2017	6.3%	4.3%	7.3%	3.1%	4.7%	6.8%

Source: HSE Data

Table 5. Nursing Turnover 2016-2017 (excluding retirements and students*)

Turnover Retirees	Excl.	Nurse Manager	Nurse Specialist	Staff Nurse	Public Health Nurse	Nursing (other)	Nursing (total)
2016		2.9%	1.8%	6.4%	1.5%	3.9%	5.3%
2017		3.4%	2.5%	5.9%	1.4%	2.9%	5.0%

Source: HSE Data

*Student numbers are excluded because of movements associated with student placements.

By international comparison, the Irish nursing and midwifery turnover rate is low, with the average nurse/midwife turnover rate in the UK reported as increasing from 12.3% in 2012-2013 to 15% in 2016-2017.

While there have been a number of academic studies of nursing turnover in other countries clear comparisons with the Irish public funded health system are problematic due to the differing methodologies that have been used to define turnover. A 2014 academic publication in the Australian Journal of Advanced Nursing⁷ based on data gathered between 2008 and 2010 and defining turnover as the voluntary transfer or resignation of registered nursing staff from their primary employment (i.e. excluding retirees) found a turnover rate of 15.1% which compares favourably to Irish 2016 rate of 5.3%.

3.3 International Inflows and Outflows

Evidence from the Nursing and Midwifery Board of Ireland (NMBI), the independent statutory organisation which regulates the nursing and midwifery professions in Ireland, would suggest that nursing and midwifery in Ireland remains internationally competitive.

A core function of the NMBI is the maintenance of a register of all nurses and midwives, both public and private, permitted to practice in Ireland. Nurses and midwives are identified on the register with a PIN (Personal Identification Number).

Furthermore, Irish trained nurses and midwives require a Certificate of Current Professional Status (CCPS) from the NMBI to certify their competency to work in other jurisdictions. As

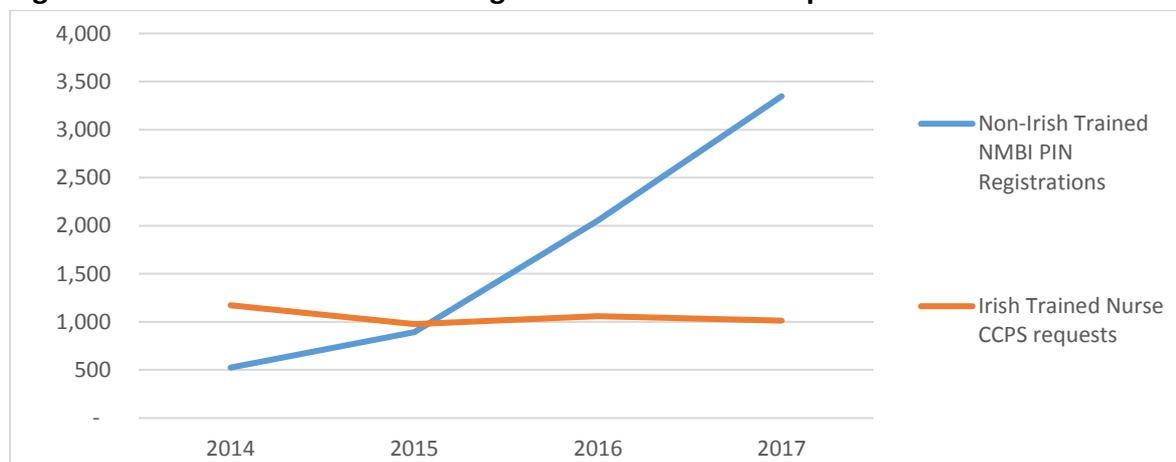
⁷ Roche, Michael A. et al The rate and cost of nurse turnover in Australia; Collegian , Volume 22 , Issue 4 , 353 - 358

such a request for a CCPS can be understood as an expressed intention to emigrate. Currently data is not available on whether these intentions are acted upon but the CCPS can be considered indicative.

Figure 6 below, provides data on the numbers of PIN's issued to nurses and midwives with qualifications gained outside Ireland, from both other EU countries and Non EU countries, and the number of requests for CCPSs from Irish trained nurses from 2014-2017.

During this period, CCPS requests have held largely steady at around 1,000 per annum. However, the number of foreign trained nurses registering in Ireland increased by 638%. This represents a net gain to the Irish Nursing workforce of 2,598 during these four years. Of these the majority 54% are EU citizens, with large increases evident from the United Kingdom. This is a clear indicator of the relative attractiveness of Ireland with regard to the global nursing labour market.

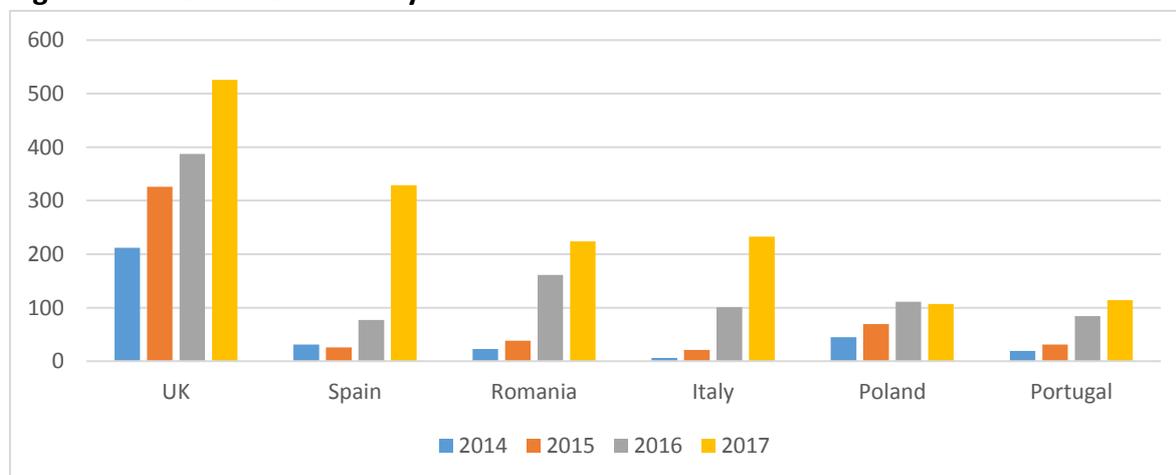
Figure 6: NMBI Non-Irish Trained Registrations and CCPS requests 2014-2017



Source: NMBI

Disaggregation of the EU trained nurse applications to the register in Figure 7 below provides further insight. Of note is the sustained increases in registrations from UK trained nurses and midwives system. This is particularly evident in 2017.

Figure 7: NMBI PIN EU Country PIN Count



Source: NMBI

4. Nursing & Midwifery Pay

Along with other public servants, pay of nurses and midwives has increased in recent years under the Lansdowne Road Agreement, with further increases scheduled to 2020 under the Public Service Stability Agreement. The level of growth in nursing and midwifery numbers since 2014 would suggest that salaries remain competitive in the wider labour market.

4.1 Starting salary

The first point on the Staff Nurse and Staff Midwife scale is €28,768. However since 2016 a nine month incremental credit has also been applied to new entrants and retrospectively to those who entered between the years 2011-2015. This gives a new entrant nurse or midwife in their first year an effective annual salary of €30,178. In addition to this basic salary, the HSE estimates that on average starting nurses and midwives earn an additional 20% of their basic salary in allowances and premium payments, which would increase the average gross pay for a new entrant nurse to €36,214. This compares favourably with other areas of graduate recruitment to the public service (where starting salaries are in the region of €30,000) and wage rates in the wider economy, with the average starting salary for a graduate entering the labour market in 2016/17 reported as €28,554⁸ with 40% of the 2016 cohort commanding salaries of less than €25,000⁹.

4.2 Career and Salary Advancement

There are two means by which the basic salary of a nurse and midwife will progress from the starting salary outlined above: incremental progression and promotion.

Across the public service a system of incremental salary progression is in place whereby salaries increase on an annual basis subject to satisfactory performance. Within the staff nurse and midwife grade the average value of an annual increment is €1,373 or 4% of salary.

Reflecting this salary progression, an analysis of the distribution of Staff Nurses and Midwives by point on scale indicates that an estimated 13,613 are on basic pay in excess of €40,000 (point 9 or higher).

As noted in Section 2.4 and 2.5, the levels of growth in the advanced, specialist and managerial grades offers considerable scope for further salary increases through promotion. As of Q1 2018, approximately 45% of the nursing cohort were in grades where the basic salary scale started above €40,000 not including additional premium payments or allowances.

Combining the numbers on a point of scale above €40,000 and those in grades with a starting salary above €40,000 it is estimated that a total of 82% of all Nurses and Midwives are on basic salaries of over €40,000 exclusive of allowances or premium payments.

⁸ GradIreland, GRADUATE SALARY & GRADUATE RECRUITMENT TRENDS SURVEY, 2017

⁹ HEA, What do Graduates do? The class of 2016, 2018

4.3 Allowances

Importantly the figures above relate to basic salary only and do not reflect allowances and other premia payments. The HSE estimate that on average allowances are worth an additional 20% on top of basic pay.

The impact of allowances on total remuneration for the Staff Nurse/Midwife grades is shown in Table 6.

Table 6: Salary Estimates for Nurses and Midwives 1/1/2018

	Basic Salary	Premium Pay and Allowances	Total Salary
Starting Staff Nurse/Midwife	30,178*	6,035	36,214
Average Staff Nurse/Midwife	43,481	11,264	54,745
Max of Scale Staff Nurse/Midwife	45,248	11,264	56,512
Senior Staff Nurse/Midwife (automatic promotion)	47,423	11,264	58,708

Source: HSE Data

*Blended year 1 rate - adjusted for incremental student credit

The payment of allowances and premia payments is not confined to the Staff Nurse/Midwife Grade and occurs throughout the nursing and midwife cohorts.

In general, these allowances are intended to incentivise nursing staff working in particular service areas or who have gained desired specialist qualifications. Data is not available on allowances payments in the voluntary hospital sector. However, data from statutory hospitals shows that, for example, the Specialist Qualification Allowance and the Specialist Qualification Allowance (Midwifery) amount to €2,791 per annum and are paid to a combined total of 5,660 nursing and midwifery staff (15% of the total cohort) working in specialist areas with the relevant professional qualifications.

Nursing staff working in certain challenging service areas such as Emergency Departments, Theatre/Operating Rooms etc. are also incentivised through allowances such as the Location Allowance which amounts to €1,858 paid to 5,191 nurses and midwives per Q4 2017 data. Mental Health Nurses working in the community also receive a Community Allowance of €5,449 per annum for new entrant nurses.

The full range of the various nursing allowances can be found in Appendix 1.

4.4 Collective Agreements

It should be noted that pay increases have been agreed across the public service under the Public Service Stability Agreement 2018-2020. In total pay increases of between 6.2% and 7.4% progressively weighted towards those on lower pay rates. These changes will have the following impact on nursing and midwifery remuneration by 2020:

Table 7: Salary Estimates for Nurses and Midwives 1/10/2020

	Basic Salary	Premium Pay and Allowances	Total Salary
Starting Staff Nurse/Midwife	31,634*	6,326	37,961
Average Staff Nurse/Midwife	45,578	11,576	57,153
Top Scale Staff Nurse/Midwife	47,430	11,575	59,005
Senior Staff Nurse/Midwife	49,711	11,575	61,286
Average Salary for full nursing cohort	50,129	10,552	60,682

Source: HSE Data

*Blended year 1 rate - adjusted for incremental student credit

4.5 International Pay Comparisons: OECD

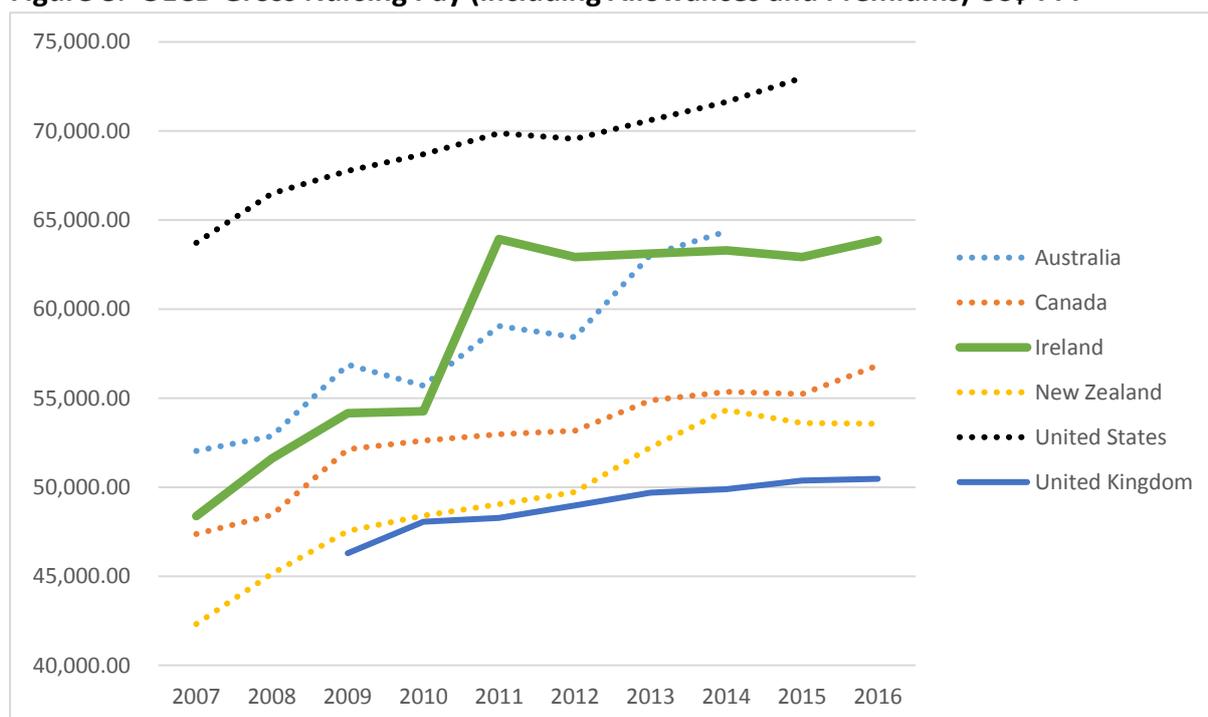
Data on nursing remuneration (excluding midwives) compiled by the OECD from 2007 to 2016 shows the average pay of a nurse including allowances and premia payments. This is presented in Figure 9 below which situates Ireland in an internationally comparable context.

Anglophone countries have been isolated as these are assumed to be the principal competitors in the global nursing labour market.

Expressed in purchasing power, average remuneration for Irish nurses has been consistently higher than in Canada, the UK and New Zealand. The absence of recent data on Australia hinders any comparison but prior to 2014 it appears that Irish pay compared favourably.

While this should not be considered definitive, due to the difficulties inherent in comparing across jurisdictions, it is included here as indicative.

Figure 8: OECD Gross Nursing Pay (including Allowances and Premiums) US\$ PPP



Source: OECD Databank

4.6 International Pay Comparison: NHS England

Excluding allowances, on which data is unavailable, Table 9 below shows the salary scale for a HSE staff nurse/midwife (staff nurses and midwives make up 52% of the total nursing and midwifery cohorts in the Irish public funded health system) and the comparable, Band 5 scale for a nurse/midwife in England¹⁰.

Table 8: Basic pay scales for entry-level nursing in Ireland and England compared, 2018

	HSE (EUR)	HSE (GBP = 1.13)*	NHS England ** (GBP)	Difference (GBP)	Difference (%)
1***	30,178	26,706	22,128	4,578	21%
2	30,802	27,258	22,683	4,575	20%
3	31,852	28,188	23,597	4,591	19%
4	33,037	29,236	24,547	4,689	19%
5	34,531	30,558	25,551	5,007	20%
6	36,023	31,879	26,565	5,314	20%
7	37,508	33,193	27,635	5,558	20%
8	38,792	34,329	28,746	5,583	19%
9	40,080	35,469		6,723	23%
10	41,361	36,603		7,857	27%
11	42,644	37,738		8,992	31%
12	43,904	38,853		10,107	35%
LSI	45,248	40,042		11,296	39%

* Exchange rate @ 5/7/2018

** <https://www.rcn.org.uk/employment-and-pay/nhs-pay-scales-2017-18>

*** Pt1 of Scale including 9 months Incremental Credit

Using July 2018 exchange rates, it can be seen that a new entrant nurse in Ireland earns 21% more in basic pay than a new entrant nurse in England. While opportunities for promotion and allowance arrangements differ across the two jurisdictions, it is instructive to note that at the top of the scale a staff nurse with a Long Service Increment on the HSE scale would earn 39% more than a nurse at the top of the English Band 5 scale. This may in part account for the high number of NMBI registrations from the United Kingdom detailed in Section 3.3.

¹⁰ NHS England nursing salary scales for 2016/17 can be accessed here: <https://www.rcn.org.uk/employment-and-pay/nhs-pay-scales-2016-17>

5. Conclusions

The examination of nursing and midwifery inputs to the Irish Public Health system presented above suggests that:

- Total nursing capacity in Q1 2018 now exceeds pre-crisis capacity, accounting for directly employed, agency and additional hours worked.
- Expenditure on Nursing in 2017 was €2.2bn up €168m since 2014.
- This has been driven by an increase of 10.5% in the numbers of nurses and midwives.
- Numbers of Agency nurses and midwives have also continued to grow, with expenditure now totalling €100m (est. 1,400 FTE), despite the recruitment of additional, directly employed, staff.
- Productivity improvements including the additional hours under the Haddington Road Agreement have delivered increased capacity (+1,436 FTE).
- Nursing and midwifery grades are now better supported with a large increase in the number of employed Health Care Assistants (+2,770 or 130%) allowing for a concentration on core tasks.
- Compositional changes are evident in the nursing and midwifery grades with a greater proportion (40% in Q1 2018) now occupying senior, advanced, specialist and managerial roles.
- As a result of the above straight comparisons of current nursing and midwifery staffing levels with the pre-crisis position can be misleading. Health sector resourcing should be considered from a systemic perspective.
- Where data exists, overall numbers of nurses appear high compared internationally, particularly when adjusted for the younger demographic profile of Ireland and notwithstanding population growth since 2007.
- Inflows into the nursing and midwifery grades remain strong indicating a continued attractiveness as a career choice.
- Outflows from the nursing and midwifery grades do not appear to be elevated in the context of the Irish labour market or available international evidence.
- Pay rates including basic salaries, allowances and premium payments appear competitive domestically and internationally.

Appendix 1: Allowances Payable to Nurses/Midwives

Allowances payable to Nurses/Midwives in HSE Hospitals only

Allowance Title	Grade in receipt	Value at 1/1/2018	Nos. in receipt - HSE hospitals	Approx Cost
Specialist Qualification	Nurse up to CNM2	€2,791	5,053	€14m
Specialist Qualification (Midwifery)	Nurse up to CNM2	€2,791	607	€1.7m
Location	Nurse up to CNM2	€1,858	5,191	€9.6m
Reduced Location/Qualification	Nurse up to CNM2 on dual-qualified scale	€1,395	265	€369,675
Red-circled allowance to Deputy Nursing Officer	Nurse Manager	€1,333	29	€38,657
Red-circled allowance to Theatre/Night Sister	Nurse manager/Staff nurse	€801	5	€4,005
Red-circled allowance to Public Health Nurse	Public Health Nurse (PHN)	€1,601	159	€254,559
Special allowance for weekend/public holidays	Nurse Management sub structures	€2,976	30	€89,280
Community	Mental health nurses up to Assistant Director of Mental Health Nursing (in receipt prior to 1 February 2012)	Varies from €4,692 to €5,911 depending on grade	1,003	€5.3m
Community	Mental health nurses up to Assistant Director of Mental Health Nursing (new beneficiaries)	€5,449	588	€3.2m
Nurses assigned to Occupational Therapy (qualified)	Mental health nurse	€3,732	1	€3,732
Nurses assigned to Occupational Therapy (unqualified)	Mental health nurse	No rate provided	7	No data
Island Inducement	Staff nurse, PHN, Nurse manager	€1,766	5	€8,830
Specialist Coordinator	Nurse tutors in Centres for Nurse Education	€4,319	7	€30,233

Nurse Coordinator	Staff nurse	€18.09 per shift	None on HBS HSE data	No data
Gaeltacht	Staff nurse, PHN, Nurse specialist, Nurse manager	Cannot exceed 7.5% of basic salary	35	No data
Cardiac	Staff nurse, Nurse manager	€16.89 per week	11	€9,695
Trainers allowance	Nurse manager	€3,047	2	€6,094
Dual responsibility	PHN, Nurse manager	Varies from €3,358 to €4,001	77	€283,360
Acting up	Nurse manager, PHN, other nursing grades	Varies	481	No data
Mental Health Authorised Officer	Staff nurse, Nurse specialist, Nurse manager	€150 (during normal working hours)	8	No data
Registered General Nurse in the Community	General nurses in the community undertaking specified duties of PHN	€3,709	None on HBS HSE data	No data

Total cost – at least €35m per annum for HSE Hospitals only. Assuming that similar numbers are in receipt of these allowances in Section 38 hospitals, the additional cost would be in the region of at least €35m i.e. a total minimum cost of €70m per annum for nursing grades in the health sector.

Quality assurance process

To ensure accuracy and methodological rigour, the author engaged in the following quality assurance process.

- ✓ Internal/Departmental
 - ✓ Line management
 - ✓ Spending Review Steering group
 - ✓ Other divisions/sections
 - Peer review (IGEES network, seminars, conferences etc.)

- ✓ External
 - ✓ Other Government Department
 - Steering group
 - Quality Assurance Group (QAG)
 - Peer review (IGEES network, seminars, conferences etc.)
 - External expert(s)

- Other (relevant details)