Funding Nursing Education:
A Policy Discussion Paper

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June 2008

1 Any views expressed are those of the authors and unless stipulated not those of the RCN
Introduction

This paper highlights a range of key contemporary issues in pre registration nursing education. Whilst several matters are addressed our fundamental concern is with the relationship and dynamic that exists between nursing education and the nursing workforce, now and in the future.

In real terms this translates to mean:

- The nature and characteristics of the student body who are attracted to a career in nursing (forming the future shape and nature of the workforce)
- The model of education students receive to prepare them to join the workforce as newly qualified nurses (how the workforce is socialised, prepared, and identified)
- The future role, career progression and functions of registered nurses as they move from novice to advanced levels of practice (what nursing’s contribution to health care will be in the future).

There is also a financial dimension to consider since the way in which funding is distributed will impact on the standard, kind and nature of both the education and workforce sectors, which in turn can influence the dynamic that exists between them. Money can be a very powerful lever with which to change and implement policy, and as such we have elected to focus this paper on issues relating to funding nurse education. This is a key lever and enabler to ensure that nurse education is directed in a way that will support future advances in patient care, patient satisfaction and to promote optimum career opportunities for nurses.

However agreement on the direction of the way forward, and how finance, nursing education and the nursing workforce can come together to support contemporary health care is the critical debate that the nursing profession must have as a matter of urgency. Although this debate has within it contested views, controversies and sensitivities, these are not in themselves a reason to shy away or adopt a superficial approach - rather they should be the stimulus for taking action.

We believe that now is the critical time to have that debate since nursing is at a unique point in its history given the proposals to reshape and reform education, workforce and service provision (e.g. Modernising Nursing Careers and the ‘Darzi’ NHS Next Stage Review), alongside a White Paper\(^2\) that will reshape the professional regulation of health care workers. There are therefore real opportunities at the moment to take control and design the nursing profession of the future that we want and need, and identify and implement the steps to achieve that goal.

The RCN, in accordance with its mission as a Royal College, has a leadership role and responsibility to make that debate happen. This paper is part of that process and provides discussion points designed to stimulate debate on the macro issues at a strategic level. The scope of the paper is restricted to the funding of pre registration nursing education and its associated links to the nursing and support workforce. The paper does not therefore consider the funding of post-registration education, nor other important details relating to the pre registration education process, such as curricula, student selection, the profile of the nurse education workforce etc.

Pre Registration Nurse Education Past to Present: A Brief Synopsis

The key difference between pre registration nurse education of the past as compared to today is the apprenticeship model of nurse education that it was formerly based upon, which was strongly linked to the requirements of the local health service it supported. Thus student nurses were salaried members of the nursing workforce, contributing to nurse staffing rosters and delivering a large proportion of nursing care in the health service. Ninety eight per cent of nurse education was organised through schools of nursing aligned to a local hospital and students spent a significant amount of their time in clinical settings learning nursing by direct observation and ‘hands on’ practice. Their competency for registration as a nurse was assessed by practical ward based examinations, formative and summative assessment and a national written examination. This symbiotic model of nurse education was an effective means of designing, developing and providing a very practical ‘hands on’ workforce for clinical practice.

But in the 1980’s this model came under strong criticism, particularly from the RCN, because it was argued that a different and more theoretical knowledge base, underpinned by evidence-based, critical decision making skills was needed to match the evolving and expanding role of the nurse. Parity of the level of education preparation and subsequent qualification in line with other professions was also seen as important – especially in terms of the recruitment of school leavers. The RCN made recommendations for change including the “uncoupling of education from direct and persistent control by service”.

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3 This is a summary with extracts from a previous RCN publication RCN (2007) Pre Registration Education: The NMC Review and the Issues RCN: London
This policy shift ultimately led to the development of the Project 2000 framework for pre registration nurse education, which in summary:

- Made student nurses supernumerary to the nursing workforce
- Increased the theoretical component of pre registration education to 18 months within the 3 year programme
- Added a (minimum) academic award of a diploma in higher education as the exit qualification along with nurse registration
- Established a Common Foundation Programme (CFP) of 18 months followed by 4 pre registration branches of 18 months each

Subsequently pre registration nurse education was transferred from schools of nursing into Higher Education Institutions (HEIs).

An evaluation of Project 2000 in 1999 led to the following revisions:

- An increased focus on clinical skills with theory linked more closely to practice
- Partnership agreements on educational preparation between health service providers and HEIs, in order to strengthen links between education and workforce
- Creation of new clinically based teaching roles as practice education facilitators to provide support to clinical staff who mentor student nurses
- Reduction in the length of the CFP to 12 months

There have been further developments in nurse education since then, including an increase in the number of graduate pre registration education programmes available. In Wales all pre registration education is now set at honours degree level (with the option to step-off at diploma level), and although there is still a mix of graduate and diploma level courses in the other three countries, the overall number of graduate programmes has increased. An all graduate nursing profession has been the subject of much debate within the nursing profession, but we are not going to rehearse those arguments here and merely state that the RCN has a very clear policy position on this which is that all pre registration education should lead to both registration as a nurse and the award of a degree.

However there is still a view held amongst some that pre registration nurse education does not prepare students adequately for registered nurse practice, regardless of whether it is from a graduate or diploma programme. The fault line for this is variously said to lie with the HEIs, either because of a perceived over emphasis on theory, or perception that students progress

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7 RCN (1996) *A Principled Approach to Nurse Education: The Rationale: A Document For Discussion* 
RCN: London
8 RCN (1999) *RCN Council Report to Congress*
9 RCN (2002) *Quality Education for Quality Care: A Position Statement for Nursing Education* 
RCN: London
through the programme regardless of individual suitability because of the way in which HEIs are funded by commissioners. An alternative view points the finger at the nursing workforce and a lack of ownership of students and sense of responsibility to nurture them as the future nursing workforce. The provision of less than adequate workplace mentorship has also been heralded as a significant factor in determining the quality of learner experience and their subsequent proficiency to practise. The nursing press reflects these views on a regular basis with headlines such as “Something is going wrong with nurse training, government admits”\(^\text{10}\) and the following week, “Students are being taught skills by support staff, professor warns”\(^\text{11}\)

It is difficult to assess the evidence for either view with any real credibility. This is partly due to the fact that much of what is reported is anecdotal and based on personal views and philosophies about nursing. The quality of outcomes gleaned from pre registration education may also be correlated to current methods of student selection, a variable dependant upon several factors, but not attributable directly to HEI or workforce input per se. In addition there is considerable local variation in pre registration education programmes in terms of their curricula and student assessment strategies, which makes comparative evaluation and assessment difficult. What is clear however is that there is, at least at some level, a disconnect between the nursing workforce and nursing education. This is an important point that we will pursue in terms of solutions within this paper.

**A Brief History of Nurse Education Funding**

The funding of pre registration nurse education is different from that of most other disciplines in higher education since it is administered and controlled by the UK Government Departments of Health, rather than the Departments of Education. This anomaly dates back to Project 2000 when education and its associated funding was disaggregated from the individual hospital schools of nursing and hospital budgets and responsibility for pre registration education delivery was transferred to the HEI sector. The four UK Departments of Health have retained overall control of pre registration nurse education funding because of their desire to manage and match nursing workforce numbers directly to health care delivery and service reform.

Funding for pre registration education is currently based on two elements:

- Learning and teaching costs
- Student support

The way in which funding is administered varies between the 4 UK countries. However, funding for student support is administered centrally by

\(^{10}\) Snow, T (2008) *Nursing Standard* April 16, vol 22, no 32

all four Departments of Health (albeit through different agencies). Funding for learning and teaching costs is also administered centrally in Wales, Scotland and Northern Ireland, but in England is devolved to the ten Strategic Health Authorities and managed on a more local basis through contracts between NHS commissioners and HEIs as providers.

The amount of financial student support also differs across the four countries:

- All nursing students in Scotland, Northern Ireland and Wales, receive a non-means tested bursary regardless of whether they are following a graduate or diploma level course.
- In England only diploma nursing students receive this and the 17% (approx) of students who are following a graduate pre-registration programme receive a means-tested bursary.

A non-means tested bursary averages £6000 per year, whereas a means-tested bursary amounts to a maximum of £2231 if under 29 years of age, £3430 if over 29 years of age. This inequity is clearly an issue that has to be addressed because it discourages graduate study in England. The broader dimension is the importance of financial student support per se in order to make a career in nursing an attractive proposition for future entrants and enable them to practise and become employed in the local workforce.

Student nurse poverty is known to be one of the factors in student nurse attrition^12. This issue is compounded further by the demographic nature of the student workforce, characterised by a largely female population with an average age of 27 years, many of whom have personal and associated family caring responsibilities.

**The Nursing Workforce**

The policy levers that influence the size of the nursing workforce (as opposed to the professional levers) are:

- Inputs and outputs from pre-registration nurse education
- Controls on inflow of internationally recruited nurses
- Pay, terms and conditions of service

Nursing workforce numbers are sensitive and responsive to these policy levers, as demonstrated by the recent turbulent ‘boom and bust’ cycle which began with the push from government to rapidly increase registered nurse numbers in the NHS (partly by commissioning more places on pre-registration programmes, but mainly by turning the ‘on’ switch for international nurse recruitment). This ended with some newly qualified

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nurses being unable to find employment because in the interim three year lead-in preparation time the NHS had been instructed to manage financial deficits, impacting directly on both HEI training budgets and the supply of available qualified nursing posts in the NHS.

Health service workforce planning is very complex, not least because the NHS is composed of hundreds of organisations operating in different labour markets, with the additional workforce needs of the independent and social care sectors also. However it is critical that nurse workforce planning is undertaken more effectively given the demands of health care reform and predictions that there will be a shortfall in registered nurse numbers in the next 10 years or so, with more nurses retiring from the profession than are joining. A report by Professor Jim Buchan commissioned by the RCN puts forward three potential nurse workforce scenarios for the future. The range of projected percentage change in registered nurse numbers 2006/7 to 2015/6 is from an increase of 4.6% at very best, to a decrease by 18.5% at worst. He concludes that it is unlikely registered nurse numbers will be able to keep pace with demand for nursing care:

“In short, the likelihood of supply side difficulties, combined with increased demand, and with the impact of policy led changes to registered nurse career structures and roles, all point to skill mix changes. These changes will impact on the broader nursing and care giving workforce, with registered nurses (an increasing proportion of whom will be graduate) working in enhanced roles, alongside more assistant practitioners and care assistants”.

There are two critical implications of this for this paper. First that the nursing profession must review how it educates and assesses the competency and skills of the support workforce, since they will work increasingly alongside registered nurses to deliver nursing care. For example, the Knowledge and Skills Framework (KSF) can support he skills development of assistant practitioners - who sit just below the newly qualified registered nurse at the band 4 grade and may hold foundation degrees (in England) - but we suggest it is incumbent on the nursing profession to ensure that educational preparation for this sector of the workforce will give appropriate support to the nursing team in providing safe and proficient patient/client care.

Second, given that workforce size is dependant on the numbers of ‘new’ nurses joining the profession, and that international nurse recruitment is currently off the policy agenda, it is crucial that nursing can attract, and retain, an even more diverse group of students into pre registration education. In other words, attract the school leaver, the academically able,

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the older candidate, and those without formal qualifications - and support them through to graduate level qualification and nurse registration.

Policy and Professional Changes on the Horizon

There are a range of policy and professional changes on the horizon for nursing, some accompanied with more certain outcomes than others. This paper will consider in brief the three planned policy initiatives that will impact directly on nursing education and the nursing workforce in the near future. These are:

- Modernising Nursing Careers
- The NHS Next Stages ‘Darzi’ Review (England)
- The White Paper on professional regulation

Modernising Nursing Careers (MNC)\(^\text{16}\) is a UK wide government initiative that concerns pre registration education, post registration career pathways and the image of nursing. The pre registration part of MNC has been led by the NMC who have recently undertaken a consultation on a range of issues, including the academic level of the pre registration programme i.e. diploma or degree; the content of that programme, e.g. a generalist preparation and/or a branch programme; and whether there should be a fourth preceptorship year for newly registered nurses during which to consolidate clinical skills and proficiency. The outcome of this consultation is expected in early July.

At the same time Lord Darzi has been conducting a review of the NHS in England. This widely reported review is looking at NHS process, the ‘fitness for purpose’ of its associated structures and functions, including the health care workforce and their future roles, contributions to the reformed healthcare agenda and preparation for future practice. Similarly the outcome of this Review is not yet known at the time of writing, and is expected to report in June. However it is widely expected that - since there have been many hints in Ministerial speeches and briefings - it will announce an all graduate registered nursing workforce for England, probably a fourth preceptorship year post registration, together with some changes related to future funding arrangements for the education of health professionals.

Most of the exact detail of the latter does not need elucidation in this paper, except to mention that there are unconfirmed reports that a funding stream currently known as SIFT, which applies only to medicine and dentistry at present which was implemented as a cost subsidy to clinical settings (hospitals, GP and dental surgeries) to compensate for the costs associated with the clinical training of students, will be rolled out to include pre registration nursing, midwifery and allied health professional students. Other

\(^\text{16}\) Department of Health (2006a) Modernising Nursing Careers DH: London
proposals include the abolition and rebasing of current different medical and non medical funding streams to provide a new funding model to incorporate:

- Tuition fees
- Clinical placement costs
- Student support, and salary support costs
- Capital infrastructure costs
- Development costs

Finally, the UK White paper on professional regulation\textsuperscript{17}, parts of which are currently progressing through parliament in the Health and Social Care Bill, has implications for nursing education and workforce development. For example, the work stream within this White Paper known as ‘extending professional regulation’, which is currently the subject of consideration by a government working party, is considering the regulation of health care support workers and assistant practitioners, new health care roles and advanced practice across the health care professions. The importance of this is twin fold because regulation is often regarded as a marker for workforce identity, i.e. it distinguishes the registered nurse from the registered physiotherapist and demarcates their roles, and, secondly, regulated standards of education and approval are the gateway for entry to the profession that is the subject of regulation.

The RCN has considered the various aspects of professional regulation contained within the White Paper of which the pertinent points for this paper are:

- The nursing family, that is registered nurses and their support workforce, must be regulated together by the same professional regulatory body
- Health care support workers and assistant practitioners must be professionally (statutorily) regulated\textsuperscript{18}
- The level of advanced nursing practice must be standardised and recognised in regulation

The Assumptions Reflected in this Paper

The paper now turns its attention to what is likely to happen in the future so that a range of funding options and their implications for nursing education and workforce can be considered. We have therefore set down our assumptions about what will happen in the near future, many of which are not of course certain or guaranteed but reflect our best estimates and are based on the RCNs active participation and involvement in regional and

\textsuperscript{17} Department of Health (2006) \textit{Op Cit}
\textsuperscript{18} RCN (2007) \textit{The Regulation of Healthcare Support Workers} RCN: London
national education and workforce policy agendas over a number of years. These assumptions are that there will be:

- An all graduate registered nurse workforce with a degree as the minimum academic exit level of pre-registration nurse education
- A salaried fourth preceptorship year following initial nurse registration
- Changes to the composition of the nursing family so that by 2016 there are less registered nurses and more assistant practitioner roles at bands 3 and 4
- Professional regulation of assistant practitioners at bands 3 and 4 underpinned by a nationally agreed level of achievement to enable competent practice and career progression
- Continued provision, funding and commissioning of educational programmes, but expansion in their scope to prepare and support practice across the nursing family (including assistant practitioner and support worker practice)
- The provision of stable strategic partnership funding between commissioners and HEI providers
- The provision of finance to support education and teaching of student nurses in clinical placements
- Professionally adapted nursing practice that is flexible and responsive to changing health needs, designed to be transferable across community and hospital settings and the health and social care sectors
- An acceptance within, and outwith, nursing that registered nurses lead teams effectively to deliver a higher level of service contribution and greater productivity
- Mechanisms in place to enable registered nurses with the authority to make autonomous clinical decisions and manage and calculate risk
- A variety of employment models for nursing including independent self employed practice and social entrepreneurship models
- Clear postgraduate career pathways to advanced levels of practice, with appropriate higher education support and associated academic attainment, and an expectation that a substantial proportion of registered nurse will practice at this level
- Professional regulation of advanced nursing practice which is recognised by employers, health professionals and patients, and relates to both expert generalist and specialist nursing domains

What are the Issues and Key Questions?

The first consideration must be the total amount of money available to fund all costs associated with the provision of pre-registration nurse education. The key issue will be whether, notwithstanding the possibility that nursing will for the first time receive extra funding for clinical placement costs, the current level of government investment for tuition and student/salary support will be retained, now and for the future. Or even expanded to provide greater
flexibility to fund pre-registration provision effectively. This leads on to two key questions:

- First, is there an expectation that the same envelope of money will be used to fund the education of support workers and assistant practitioners in addition to supporting the pre registration programme?

- Second, will the current number of graduate students (approximately 17%) who receive the means tested bursary in England be uplifted to receive the higher level of a non means tested bursary? And if the government funding allocation for student support stays the same does that then mean there will have to be fewer places commissioned on pre registration programmes (because money has to be diverted to make up the bursary)? Or, will there be a reduction in the current level of bursary paid to each student because it will be allocated across the whole student population, irrespective of their financial status?

**Student Support: Issues and Questions**

Reduction in the amount of the bursary is unlikely to be popular with either students or politicians. It would also have implications for workforce planning across the 4 UK countries given that it would continue to perpetuate the anomaly of receipt of higher student incomes in Scotland, Wales and Northern Ireland.

What options are there then for revision of the system of funding student support? These appear to be:

- Student loan
- Forgivable loans
- Bursary as now, means and non means tested
- Salaries

And could they be introduced in a way that does not compromise:

- The number of student applications and actual enrolments
- Maintaining wide access opportunities for socially and culturally disadvantaged groups
- Career progression opportunities for the current NHS workforce, including the current support workforce
- The promotion of nursing as an attractive career option to a range of potential recruits

In terms of the student loan option, most other higher education students receive a student loan, of variable amounts dependant upon personal financial circumstances, that is repayable after graduation over a period of
time. The arguments against this for nursing students, which we would support, is that nursing students must undertake clinical placements that takes their learning hours significantly above that of most other higher education students in the academic year. Also a concern with the introduction of student loans for nursing students is they are likely to be a deterrent to applications from some potential recruits. The salary option is not one that we could support either, because of the importance of preserving student status that is supernumerary to the needs of the workforce and care delivery, a battle previously fought and won in nursings history.

The forgivable loan option, of which the basic principle is that nursing students receive a payment that is ‘forgivable’ and not repayable following graduation dependant upon their fulfilment of certain conditions, warrants exploration. This model is already used by some organisations, for example the armed forces and large multinational companies, to recruit students. The type of conditions they usually attach to the loan relate to a commitment to work for the organisation for a specified period of time. However it is difficult to consider this option to support nursing students further without knowledge of the detail that it might contain vis the loan amount and the conditions attached to the loan. That leaves the bursary option with the anomaly of the different amounts of money within the means and non means tested bursaries. The position the RCN has taken on student bursaries is that they should all be at the higher level and reviewed annually by the Treasury.

There are other issues to consider for any model of financial support for nursing students stemming from how to encourage current health care staff, particularly health care support workers and assistant practitioners, to access pre-registration programmes, given that a bursary at current rates will be lower than their salaries. Some NHS trusts have seconded their staff to undertake pre registration nurse education but this appears to be rare and the exception rather than the rule. There will be similar issues in terms of funding some registered nurses already in practice to ‘top up’ their qualifications to degree level.

**Learning and Tuition Costs: Issues and Questions**

The key issue for learning and tuition costs given this paper’s assumptions for the future must centre on how to commission education that does not disadvantage those who have the ability to become registered nurses but lack appropriate prior educational attainment, yet also prepares and sustains a proficient assistant practitioner and support workforce in nursing. The education of the support workforce – with the exception of the care home sector for which there are some rules – has been severely neglected,

19 RCN (2006) Notes from the RCN Education Policy Training Committee on Student Financial Support, August
haphazard, and left largely to the discretion of individual health care organisations\textsuperscript{20}. Indeed research commissioned by the RCN in 2006 revealed that some support workers in nursing had received no education and training outside their clinical environment before they commenced employment and undertook nursing duties\textsuperscript{21}. However we are not going to debate support worker education per se, vital though that debate is, but will stay true to the focus of this paper and explore the place of pre registration education funding in ensuring wide access to programmes for a range of students including opportunities to enable the career progression of current health care staff.

The model adopted at London South Bank University indicates one way forward. The university accepts students onto both a pre registration nurse degree programme and a foundation degree programme but has designed a system of competency mapping between the two that enables students to move between them. So, for example, a student who has done well in their first year of the foundation degree programme can follow a bridging module and accelerate onto the pre registration nurse degree programme. The converse from the pre registration to foundation degree programme is equally applicable. Therefore, students from socially disadvantaged backgrounds who may lack sufficient educational achievements can still be supported to enter graduate nurse education.

The way in which the University distributes funding is a key enabler in this process by spreading the funding across both programmes from a variable volume contract negotiated with commissioners which has a stable financial input. We suggest this model could be adopted more widely across England and that urgent thought and plans need to be drawn up to prepare for an all graduate registered nurse workforce which has competent and skilled support to deliver high quality effective nursing care.

**Clinical Placement Costs: Issues and Questions**

The unconfirmed proposals to fund costs associated with the education of nursing students in the clinical setting represents a real opportunity to bring the nursing workforce and HEIs together in their joint responsibilities for nurse education and nursing students. The key questions within this are:

- What constitutes an effective clinical learning environment?
- How can finance incentivise and maintain mutual responsibility for nurse education?

\textsuperscript{20} Knibb, W (2006) *The Contribution of Assistants to Nursing: Report for the RCN University of Surrey*

\textsuperscript{21} Knibb, W (2006) *Op Cit*
The first question relates to standards of clinical practice and standards of support for learning and education, the need to define and measure such standards, and then inspect, assess and support them. The second question is more central to the remit of this paper and concerns the distribution of finance between HEIs and health care organisations. For example should the money lie with both sectors, or with just one of them, and if so how could it link across and what are mechanism(s) that can effect change? Some imaginative thinking needs to quickly take place as there are some real strategic opportunities that go beyond merely making clinical practice educators a joint sectors appointment for example.

Clinical placement costs could also be linked in part to affordability of the fourth preceptorship year post registration, the funding of which amongst other things is bound to be an issue. Newly qualified nurses will also need an effective clinical learning environment and support to consolidate their clinical skills and become confident in their application, plus there are as yet unresolved issues about the assessment and validation of practice at the end of the fourth year.

**Conclusion**

This paper has raised some key contemporary issues for funding nurse education that require urgent debate and resolution, not least because announcements on some key changes are likely in the very near future. We are aware that we have only put forward part of the story, and not the bigger picture or a complete strategy for nurse education, within which there are many further considerations and contexts. However our mission was to kick start a debate that is mindful of the need to ensure a strong connection between nursing workforce and nurse education and takes steps to cement that relationship, whilst also drawing out some issues that need swift decisions.

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22 Nursing students of the future will need to have a wider set of clinical placements partly because they will need substantial experience and expertise of delivering health care in community settings, for example in general practice, NHS Direct