

Mr Andy Brittain
Director General for Finance
Department of Health and Social Care
39 Victoria Street
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9 February 2022

Dear Andy,

Thank you very much for your response to our letter of 21 December, accepting our meeting request. We look forward to arranging a meeting soon at a mutually convenient time.

I am writing again today to share some new healthcare sector insights based on recent conversations with our members and other industry organisations across the public and private sectors. There are two main issues, both of which we are keen to work in partnership with DHSC to address: labour shortages and staff burnout.

First of all, it is evident that staff shortages were at an alarming level over the Christmas break. Our members have unrivalled expertise in medical recruitment with many having dedicated decades to the sector. However, they have all reported that the current levels of staff shortages are the worst they have ever seen. This sentiment is shared by private sector organisations and other trade bodies in healthcare.

The competition for workers is fierce, and this inflated level of demand creates two significant implications. Firstly, unbalanced supply and demand has pushed wages up, with trusts, agencies and banks frequently having to compete over the same workers or outbid each other to secure staff. Whilst supply and demand will always dictate prices, when it comes to taxpayer money, resolving the issues become even more urgent. Secondly, if there are fewer workers available to meet the rising level of patient demand, the impact on existing staff is extraordinary, and the ability to attract and retain staff becomes much harder. We are currently in a vicious cycle where workers leave the industry because of stress and burnout, stemming from staff shortages, which then exacerbates the shortages issue even further.

To deal with these compounding problems we must discuss whether the existing system of frameworks and price caps for agencies is working as intended to provide value for money for the taxpayer and proper patient care. The current price caps for agencies are not set up to adequately respond to the current level of labour shortages and the implications they create. We would like to work with you and your team at the earliest stages of developing a new system – one that meets those goals of value for money and better care for all. Staff shortages have encouraged some trusts - in desperate need of staff - to turn to off framework agencies. With demand at an all-time high, it has been very common to see workers cancelling shifts at the last minute, in

favour of a better paid shift, which significantly disrupts trusts' operations and risks patient safety. So, the lack of flexibility in agency price caps is intensifying the impact of labour shortages.

Working with your department and using our recruitment expertise, we believe some changes could have a major impact. Long-term workforce planning informed by the recruitment industry using our insights from the coalface, labour market forecasting ability, and knowledge about work patterns and in-demand skillsets is urgently needed. We should be central to bringing forward a strategy that meets the demands of an ageing population and the NHS backlog. Without this collaboration, any policy or review into fixing labour shortages in the NHS is likely to fall short.

This work should ensure that we spend public money in the right places to secure long term stability to the work of the NHS, making frameworks work for all parties.

We appreciate that these asks are long-term commitments requiring investment. However, we believe that staff shortages in the health system have reached a critical and unsustainable point, and therefore ambitious solutions and partnership working with the recruitment industry is needed urgently to protect both public health and public money. We are keen to discuss this issue and the ideas we have for solutions with you and your team in more detail. Please do continue to liaise with Natalie (Natalie.wright@rec.uk.com) in my office to arrange a meeting. We look forward to seeing you soon.

Yours sincerely,



Kate Shoemith
Deputy Chief Executive