

Mr Jeremy Hunt MP
Chair of the Health and Social Care Select Committee
Health and Social Care Select Committee
House of Commons
London
SW1A 0AA

20 May 2022

Dear Chair,

It is obvious to many of us involved in staffing the NHS that the current system isn't working to meet Trusts or patient needs. We need a new approach with more collaboration between the staffing industry, government bodies, education and training bodies, NHSE/I and NHS workers themselves. We appreciate that the committee is currently looking into workforce issues in the sector and we would like to suggest that the procurement and deployment of temporary workers into the NHS should be part of this inquiry. Without a fundamental review into that system – led by the committee – we are unlikely to establish a workforce infrastructure and a procurement system that is fair, sustainable, provides value for taxpayers' money and prioritises patient care and safety. The NHS is at breaking point. It is important to really understand the current experiences of frontline NHS staff if we are to achieve long-term structural changes. Tackling these crisis level shortages needs a radical approach that we can help with.

The Committee's Inquiry

We welcome the committee's inquiry into *workforce: recruitment, training and retention in health and social care*. The REC has long been calling for a joined-up approach to recruitment, development, and retention staffing strategies in the public sector. We have a large volume of data and market intelligence that we can share with you and the committee to assist your inquiry. Enclosed is a briefing pack that summarises some of this initial data – which has also been shared with NHSE/I. We have urged them to collaborate with us on the long-term workforce strategy, but they are yet to engage with us on a strategic basis.

Equal treatment of temporary workers

Temporary workers are a critical part of the NHS. Agency workers are just as qualified and dedicated as substantive staff and they have proven their value time and time again, no more so than in the last 26 months. They should and must be treated fairly and equally. However, the new price card for agency workers published by NHSE/I on 29 March does not reflect the pay increase that substantive staff received. The essence of this issue isn't just the financial implication. The way agency workers are currently treated suggests their contribution and dedication are less valued than that of their permanent counterparts.

We must also recognise the fact that people are making a conscious decision to work flexibly in the NHS and are choosing to do so via agencies. Flexibility enables people to choose their own shifts and fulfil other commitments - something which is particularly challenging to achieve as a permanent worker in the NHS. This pattern of employment in the NHS is here to stay and the demand for flexibility is increasing among permanent staff. As has often been acknowledged by NHSE/I, NHS Employers and others, contingent labour and staffing solutions will always be needed within the NHS - whether that is through an agency, a bank, an insourcing supplier, or any other model. Temporary workers fill 15,000 NHS vacancies every quarter, equivalent to five million hours of shifts every month. According to NHS Professionals, three in four nursing vacancies are filled by agency workers.

Frameworks and price caps

Current frameworks and price caps for agencies are not meeting their original objective of controlling spend on the temporary workforce. This is because against a backdrop of staff shortages, we are seeing increasing levels of break glass and off framework activity, which obtusely costs the NHS more money. More fundamentally, the workforce procurement system has not been reviewed since 2016 - when it was first established. This has resulted in NHSE/I facing even greater obstacles with recruitment, retention, and finance, with an even higher volume of off framework agencies. The situation has been significantly worsened by NHSE/I's latest rate card which reduced the agency fee by the rate of the National Insurance increase. This doesn't only highlight the urgent need for a fundamental review into the procurement system but also poses an immediate risk to the NHS workforce. The impact on SMEs has been severe and goes against the government's ambition to make public procurement more SME-friendly.

Our analysis shows agencies now work on incredibly thin margins (pre-profit) and asking SME businesses to cover the NI increase, as indicated by the new price card, is driving some out of business. As a result, many 'good agencies' are likely to consider an off-framework model. We are concerned that this is going to have an adverse impact on NHSE/I and patients in the long term. For full transparency, this is something many of our members have been telling us in the last two months so we cannot stress the need for a review of the procurement system more. This is something we need to do now before it is too late, and the NHS is left without reliable staffing partners.

That is why we believe a review of the workforce procurement system in the NHS should be part of the ongoing inquiry by the committee. The REC is always here to provide further data or anecdotal evidence. Should you wish to speak to us or if we can provide additional evidence to the committee, Natalie (Natalie.wright@rec.uk.com) in my office would be happy to arrange this.

Yours sincerely,



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