

Mr Sajid Javid MP  
Secretary of State for Health  
Department of Health and Social Care  
39 Victoria Street  
London  
SW1H 0EU

27 April 2022

Dear Secretary of State,

I am writing to you regarding the equal treatment of NHS agency workers and to seek a fundamental review into NHS workforce procurement to create a system that is fair, sustainable, protects taxpayers' money and prioritises patient safety.

The REC has been in touch with a wide range of stakeholders – especially NHS England and Improvement (NHSE/I) - for the last 10 months regarding the price card for agency workers. Although the 3% NHS pay increase was announced in July 2021, this only applied to substantive staff, leaving agency workers, who perform the same roles as their substantive counterparts, at an unfair disadvantage. Even when NHSE/I finally did publish the price card on 29 March, it was disappointing to see no pay increase awarded to agency workers, who have kept patients safe and the NHS running during a particularly difficult period.

While the immediate effect from the new price card is a challenge for the industry, what is more concerning is the fundamental shortcomings in the NHS workforce procurement system. This is not the fault of the NHS – which has worked tirelessly on patient care, particularly over the pandemic. But government intervention at this stage could refresh our approach to workforce planning. We suggest that the government develops an external expert reference group to collate evidence and agree priorities, and we would be delighted to contribute.

The current set up of frameworks and price caps does not meet its original objective to control spending on temporary workforce as there are a significant number of off-framework agencies and break glass requests in operation. The latest rate card is already skewing behaviour in how staff are procured and if the system is allowed to continue, NHSE/I will face even greater obstacles with recruitment, retention, and finance. It is a false equivalence to just look at traditional agency staffing costs, without looking at the whole picture.

On pay, qualified agency workers must receive equal treatment. The essence of this issue isn't just the financial implication. The way agency workers are currently treated suggests their value and contribution is being unrecognised by NHSE/I and the Department of Health and Social Care (DHSC). 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 24 months.

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. Both the demand for temporary workers and people's desire to work flexibly are increasing. It is time to recognise that our temporary workers are an essential component of the NHS and that this pattern of employment is here to stay. Our data and anecdotal evidence tell us that the vast majority of the NHS temporary workforce make a conscious career choice to work via agencies. The biggest reason for this is the flexibility and improved work/life balance this offers – factors that are particularly challenging to achieve as a permanent worker in the NHS.

Regarding the new rate card and the impact this has had, the late issuing of the price card has caused significant confusion and challenge among NHS trusts and framework providers. And businesses still aren't getting a clear message – nearly one month after its publication. Despite our ongoing requests, it was not until 29 March, days before the NI increase and National Minimum Wage (NMW) changes came into effect, that NHSE/I published the new rate, with no prior engagement or communication with Trusts, businesses or NHS workers. We are here to help and we can provide greater levels of transparency and engagement through partnership working in the future.

We can also provide up-to-date data on the current costs of supplying agency workers to the NHS compared to other types of contracts. Our analysis shows agencies now work on incredibly thin margins (this is pre-profit) and asking SME businesses to cover the NI increase, as indicated by the new rate card, is driving some out of business. For the agency "fee", the agency provides a service to source accredited workers at short notice, plus they must meet compliance requirements and carry out mandatory checks and training. Pushing SMEs out of NHS frameworks feels against government's direction to increase SME participation in public sector procurement.

There have been acute and prolonged worker shortages across the NHS for many years. What we need is a long-term workforce strategy to overcome these shortages that builds on learning from the pandemic. This should include a fundamental review into workforce frameworks and price caps, so that we can establish an infrastructure that works for the NHS, DHSC, agencies, patients, and the public. As taxpayers, the REC and our members believe that there should be regulation and proper controls when public money is involved. The workforce issues we currently see highlight why we need this review.

We have a large volume of data and market intelligence that we are keen to share with the Department to address the issues set out above. Enclosed is a briefing pack that summarises some of this initial data. We appreciate that this isn't a short-term or simple ask. But the workforce issue must be addressed now. Delaying it will only require bigger efforts at a later stage. The Department and NHSE/I can't do this alone and should work in a partnership with their partners. Our industry is very keen to play its part in securing



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the long-term workforce the NHS needs at a cost that works for everyone and provides value for taxpayers. I look forward to receiving your response and I would be very keen to discuss these urgent issues in more detail with you or your senior team. Natalie ([Natalie.wright@rec.uk.com](mailto:Natalie.wright@rec.uk.com)) in my office would be happy to arrange a meeting at your earliest convenience.

Yours sincerely,

**Kate Shoesmith**  
**Deputy Chief Executive**