

15th December 2016

Dear Colleague

NHS Improvement: Price Caps for Agency Staff

The NHS Health at Work Network and NHS Improvement met in September to discuss the NHS guidance regarding price caps for agency staff.

The wider pressures on NHS temporary staffing are a considerable challenge and organisations have worked hard to support reduction in both cost and use of agency and locum staff. This has seen significant reductions in costs for the NHS, circa £768m. Continuing with the approach to make further improvements is vital for the long-term sustainability of NHS services. The controls and measures to support organisations have been adopted widely and the rules are [available here](#). These rules include:

- Trust ceilings set for their total agency expenditure
- Procurement of all agency staff at rates set at or below the price caps
- Use of approved frameworks to procure all agency staff
- Maximum pay rates agency workers can receive, set at a level similar to those of substantive staff

On behalf of the Network Board, Dr Ali Hashtroudi and David Maslen-Jones met with Ruth May (Director of Nursing) and Kelly Lin (Senior Economist) from NHS Improvement.

The shortage of OH qualified doctors and registered nurses was discussed and the impact of the rules regarding price caps for agency staff, which in some areas was driving a view that they are having an adverse effect upon the services provided to NHS staff and the wider working community. A copy of the original letter outlining the Network's concerns is [available here](#).

At the meeting the importance and reasons for the introduction of this price cap and maximum wage rates for the benefit of the wider NHS were accepted by those present, and that an OH-wide exemption from the cap is not a realistic outcome. However, the significant challenges arising from the price cap and maximum wage rates to occupational health service delivery models, NHS staff care, and commercial income generation were acknowledged.

As a result of the meeting we have agreed a number of next steps:

- NHS Improvement will meet with the National School for Occupational Health and Health Education England to look at additional opportunities for funding for training or other initiatives to contribute to the long-term supply of suitably qualified specialists
- The Network Board and Members will encourage OH staffing agencies to register and join the national framework, thereby helping to improve the availability of specialist OH staff on the framework
- NHS Chief Executives and Workforce Directors will be made aware of the impact of the price cap on occupational health services, to encourage local recognition and solutions
- The NHS Improvement workforce team will ascertain further views and opinion through the NHS Frontline Network
- NHS Improvement will undertake a review of NHS OH workforce staffing and identify opportunities for new roles and models of care
- A follow-up meeting to monitor the progress will be scheduled for 2017

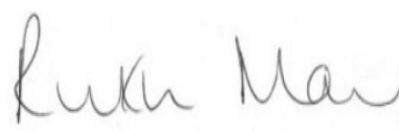
NHS Improvement recognise the significant contribution that occupational health practitioners deliver for our staff and service delivery and their commitment to safe, sustainable service models in OH. This letter is intended to be shared with Chief Executives and Workforce Directors to acknowledge the unique challenge being faced by OH teams and to encourage support in developing local innovative solutions. The actions outlined above will monitor the progress and impact of price caps and ensure there is an opportunity for NHS Improvement to discuss this with Members.

We remain keen to receive feedback from Members of the NHS Health at Work Network especially with regards to local solutions that can be shared more widely. Please send these to andrew.gilbey@syngentis.co.uk and these will be shared across both organisations to help us work together to devise the approach going forward.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Anne de Bono', on a light grey background.

Dr. Anne de Bono
Chair, NHS Health at Work Network

A handwritten signature in dark ink, appearing to read 'Ruth May', on a light grey background.

Ruth May
Executive Director of Nursing, NHS Improvement