



Department  
of Health &  
Social Care

*From Will Quince MP  
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The Rt Hon Sir George Howarth MP  
By email to: [george.howarth.mp@parliament.uk](mailto:george.howarth.mp@parliament.uk)

24 January 2023

Dear Sir George,

Thank you for your correspondence of 3 January on behalf of a number of your constituents about the NHS and winter planning.

I am grateful to you for raising your constituents' concerns.

The COVID-19 pandemic has been the most challenging time in the NHS's 74-year history. To support elective recovery, the Government plans to spend more than £8 billion from 2022/23 to 2024/25, in addition to the £2 billion Elective Recovery Fund and £700 million Targeted Investment Fund already made available to systems to help drive up and protect elective activity. Taken together, this funding could deliver the equivalent of around nine million more checks, scans and procedures and will mean the NHS in England can aim to deliver around 30 per cent more elective activity by 2024/25 than it did before the pandemic. A significant part of this funding will be invested in staff, both in terms of capacity and skills.

NHS England has released a further £1.5 billion to NHS integrated care systems (ICSs) to manage the rising costs of energy and inflation, and the Government is providing additional funding of £3.3 billion in each of 2023/24 and 2024/25 to support the pressures that the health system faces. It will be up to local NHS integrated care boards to decide how best to allocate this funding to reduce the burden on hospitals and community provision.

The retention of all NHS staff is a priority for this Government. As outlined in the NHS People Plan, retention is targeted through the improvement of the working experience of NHS staff, with a strong focus on their health and wellbeing. As we know, delivering high-quality care is not possible without a well-supported workforce.

A wide range of support has been put in place to support staff wellbeing through the NHS People Plan. This includes support for staff mental health, work to strengthen occupational health, and initiatives to strengthen leadership and culture in the NHS.

The national NHS programme Growing Occupational Health and Wellbeing Together aims to ensure that occupational health services are a key part of a preventive, organisation-wide approach to health and wellbeing. There is a comprehensive national package of health and wellbeing support in place for NHS staff, which includes training and guidance for teams and leaders.

NHS England introduced agency price caps as part of a wider package of agency staff controls in 2015. Since then, total spending has been reduced from a peak of £3.6 billion

to £2.4 billion at the end of 2020/21. The removal of price caps on agency spending is therefore likely to increase the cost of temporary staffing. Despite the continuing increase in demand for labour, agency spending as a percentage of the total wage bill decreased from 7.9 per cent in 2015/16 to 3.7 per cent in 2020/21.

Decisions to employ locums in general practices are made locally, through arrangements between doctors and the practices and services they are working for. However, up to £120,000 per ICS or sustainability and transformation partnership has been made available to aid the process of recruiting and deploying GPs. We are not aware that an assessment has taken place to ring-fence agency expenditure.

While I can confirm that there is no cap on doctors' pensions and that pension saving is tax-free up to the annual and lifetime allowances, I hope your constituents will appreciate that tax policy is a matter for the Chancellor and HM Treasury. The lifetime and annual allowances help to make sure that the benefit of tax relief remains sustainable while providing significant headroom for tax-free pension saving. They also ensure that the incentive to save for retirement is targeted across society. These allowances apply to all industries and are not unique to the NHS.

Where NHS Pension Scheme members face an annual allowance or lifetime allowance tax charge, this should not affect take-home pay. The Scheme Pays facility allows members to request NHS Pensions to pay these tax charges, which will then be deducted from the members' pension funds. This allows members to avoid paying any tax charges up front.

To help retain senior clinicians who face pension tax charges that significantly diminish the value of their reward package, we will also strongly encourage NHS trusts to develop appropriate local solutions. We intend to work with NHS England to support trusts to explore local flexibilities that are available to them within the NHS Pension Scheme. These local solutions include employer contribution recycling, where employers pay the unused portion of employer contribution as additional pay to staff who opt out of the scheme because they have exceeded their allowances for tax-free pension saving.

NHS England is delivering a retention programme focused on employers making flexible employment offers to staff. This includes promoting the value of the NHS Pension Scheme and providing information on how flexible working can help staff manage the impact of pension tax. NHS England is also delivering seminars about how flexible retirement options can encourage staff to stay longer or retire and return to the NHS.

Finally, fees and application waiting lists for visas for healthcare workers are the policy responsibility of the Home Office.

I hope this reply is helpful.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Will Quince', written in a cursive style.

**WILL QUINCE MP  
MINISTER OF STATE**