



Department  
of Health &  
Social Care

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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)

21 October 2022

Dear Sir George,

Thank you for your correspondence of 22 September on behalf of your constituent, about the NHS and winter planning.

I appreciate how important this matter is to [redacted] and I am grateful to you for contacting this department on his behalf.

Through the new Energy Bill Relief Scheme, the Government will provide a discount on wholesale gas and electricity prices for all non-domestic customers, including public sector organisations in the NHS, whose current gas and electricity prices have been significantly inflated in light of global energy prices. This support for NHS organisations will be equivalent to the Energy Price Guarantee put in place for households. NHS England has released a further £1.5billion to NHS integrated care systems (ICSs) to manage the rising costs of energy and inflation more broadly. 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.

With regard to staffing, 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.

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.

In 2022/23, £45million has been invested to support the continuation of the health and wellbeing support offer, which includes 40 mental health hubs across the country. These hubs expand the NHS Practitioner Health service and provide outreach and assessment services to help frontline staff receive rapid access to evidence-based mental health services and professional nurse advocates.

NHS England introduced locum 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 £3.6billion to

£2.4billion at the end of 2020/21. The removal of price caps on agency spend is therefore likely to increase the cost of temporary staffing. Despite the continuing increase in demand for labour, agency spending as a percentage of total wage bill has decreased from 7.9 per cent in 2015/16 to 3.7 per cent in 2020/21. We are not aware that an assessment has taken place to ring-fence locum expenditure.

Locum caps on pay rates, used in secondary care, do not extend to primary care. However, with reference to funding for NHS locum staff, up to £120,000 per ICS or sustainability and transformation partnership has been made available to support flexible pools to aid the process of recruiting and deploying GPs. GPs supported through the pool arrangement could have access to the flexibility of a locum role with the additional benefits of a salaried position.

With regard to pension caps, we can confirm there is no cap on doctors' pensions. Pension saving is tax free up to the annual and lifetime allowances. I hope you will appreciate that tax policy is a matter for the Chancellor and HM Treasury.

The lifetime and annual allowances ensure the benefit of tax relief remains sustainable while providing significant headroom for tax-free pension saving. They also ensure the incentive to save for retirement is targeted across society. Pension tax should not affect take-home pay, as the Scheme Pays facility is a proportionate means of allowing members to meet the cost of an annual allowance charge without needing to find cash up front, and the lifetime allowance charge is automatically deducted from the pension pot.

To help retain senior clinicians who face pension tax charges that significantly diminish the value of their reward package, we will 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 where staff 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, engaging their high earners on pension tax issues and promoting the value of the pension scheme.

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

I trust this information is of help to you and . Thank you for writing in on this important matter.



**RT HON ROBERT JENRICK MP**