

# MARGARET GREENWOOD MP



HOUSE OF COMMONS  
LONDON SW1A 0AA

Edward Argar MP  
Minister of State (Minister for Health)  
Department of Health and Social Care  
39 Victoria Street  
London  
SW1A 2AA

8 October 2021

Dear Ed,

We are writing to you about the provisions in the Health and Care Bill to revoke the national tariff and replace it with a new NHS payment scheme.

As the explanatory notes to the bill state: 'The scheme will be published by NHS England, who will consult with ICBs (Integrated Care Boards) as the new commissioner of most NHS services, as well as relevant providers (both NHS providers and those from the independent or voluntary sector). The NHS payment scheme will set rules around how commissioners establish prices to pay providers for healthcare services for the purposes of the NHS, or public health services commissioned by an ICB or NHS England, on behalf of the Secretary of State.'

We have serious concerns about the implications the proposed scheme could have for those who work in the NHS.

Our key concern is that the NHS payment scheme will, in effect, give private healthcare companies the opportunity to undercut NHS providers and that we will see healthcare that should be provided by the NHS increasingly being delivered by the private sector.

If that happens, NHS staff may find themselves forced out of jobs that are currently on Agenda for Change rates of pay, pensions and other terms and conditions, with only private sector jobs with potentially lesser pay and conditions available for them to apply for if they wish to continue working in the health service. Such an outcome has to be prevented – and this was the aim of amendment 105 to the bill which was tabled by Margaret Greenwood ahead of the recent Committee debate on the NHS payment scheme.

Flexibility for local 'systems' is a theme throughout the bill. If, as the explanatory notes to the bill state, there may not be any national tariffs, it would appear that there is every possibility for wide variation in prices paid to providers for healthcare services in different parts of the country, thus potentially leading to differing pay rates for staff.

We are concerned too that giving greater flexibility in how tariff prices and rules are set depending on where treatments are delivered may have consequences over the long term for the availability and level of expertise in the full range of NHS treatments that is available across all areas of England. For example, if it is deemed cheaper to deliver a particular treatment in the north of England compared to the south east, there may, over time, be a reduction in the availability of such treatment in the south east.

An increase in the amount of services delivered by the private sector would also mean that taxpayers' money would be going into the pockets of shareholders, instead of being spent on patient care.

It is of vital importance that the pay rates for Agenda for Change, pensions and other terms and conditions of all eligible NHS staff are not undermined as a result of the adoption of the NHS payment scheme, and we do not think the bill as it stands currently provides for this.

Additionally, current provisions in the bill only require NHS England to consult with each Integrated Care Board, each relevant provider and such other persons as NHS England considers appropriate before publishing the NHS payment scheme. This does not go far enough. There should be provisions in the bill for NHS England to consult on the likely impact of the proposed NHS payment scheme with all relevant trade unions and other organisations representing staff who work in the health and care sectors.

In Committee you said you appreciated the 'impulse' and the 'intent' behind amendment 107 in relation to this and that 'it does highlight issues that (the government) need to put on the record'.

However, you also suggested that you felt the amendment was unnecessary because 'the Bill already requires NHS England to consult with integrated care boards, relevant providers and any other person the NHS thinks appropriate before publishing a payment scheme. It must also publish an impact assessment of the proposed scheme, ensuring that any potential consultation is properly informed of the potential effects of the scheme.'

Without the legislation being amended, there is scope for unions and other organisations representing staff who work in the health and care sectors to be sidelined. To imply that they could be included under the umbrella of 'any other person the NHS thinks appropriate' does not at all guarantee their involvement in the process.

We would be grateful if you could set out in detail how patients, NHS staff, unions and other organisations representing staff who work in the health and care sectors can be confident that the adoption of the NHS payment scheme will not provide an opportunity for the private sector to undercut NHS services. Could you also set out how you intend to ensure that unions and other organisations representing staff who work in the health and care sectors are consulted on the likely impact of the proposed NHS payment scheme?

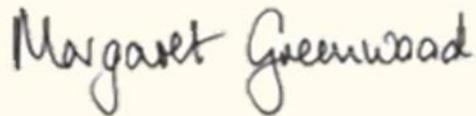
On a related issue, we are also concerned that the government voted down an amendment tabled by Labour's frontbench which would have put into primary legislation the current practice that NHS bodies honour collective agreements over staff pay and conditions and would have given ICBs a role in ensuring this remains the case. The government could have openly demonstrated at least some

degree of commitment to protecting the pay and conditions of those who work within the NHS by accepting this amendment; it must be a matter of concern to NHS staff everywhere that it decided not to.

NHS staff show a tremendous amount of commitment and dedication, as has been so clear during the course of the coronavirus pandemic.

We would be grateful if you could give serious consideration to the points raised in this letter and we look forward to hearing from you.

Yours sincerely,



Margaret Greenwood MP

Rt Hon Diane Abbott MP  
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Ian Byrne MP  
Baroness Chakrabarti  
Geraint Davies MP  
Dame Angela Eagle MP  
Barry Gardiner MP  
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