Monday 29 June 2020

The Rt Hon Matt Hancock MP
Secretary of State for Health and Social Care
Department of Health and Social Care
39 Victoria Street
London SW1H 0EU

The Rt Hon Robert Jenrick MP
Secretary of State for Housing, Communities and Local Government
Ministry of Housing, Communities & Local Government
2 Marsham Street
London SW1P 4DF

[By email]

Dear Secretaries of State,

RE: Tendering of NHS community services during COVID-19

We are writing to raise the issue of local authority funding and the tendering of NHS community health contracts during the COVID-19 pandemic. We have addressed this letter to both of you given the cross-cutting nature of the issues involved. As you know, community health providers across the board have worked with a range of local partners to discharge thousands of patients safely from hospital to prevent the NHS from becoming overwhelmed. They also supported COVID-19 patients to recover in the community, as well as continuing to deliver a wide range of non-COVID care.

Local authority funding

Yet local authority commissioned health and care services remain at risk of further funding cuts. Local authorities face a £9.2bn income shortfall for 2020/21, of which only £3.2bn is currently covered by emergency COVID-19 funding. The pandemic has also highlighted the importance of protecting the public health grant. There must be no further risk of cuts to public health funding nationally, or locally, going forwards.

Retendering of NHS community services

As local authorities have a legal requirement to balance their books, without rapid notice of where the remaining £6bn is coming from in year, they will have to start identifying savings. NHS trusts believe significant cuts to community health and public health services commissioned from the NHS will inevitably follow, together with further pressure on already stretched social care services.

Some local authorities are already looking to retender contracts for NHS community health services in the midst of the COVID-19 pandemic. We are clear that competitive tendering would be a damaging distraction at this time, as well as demoralising and destabilising a considerable section of the NHS workforce. Providers, and other local partners, are still grappling with the pandemic, the aftercare required for COVID-19 patients, restarting non-COVID services and planning for winter. It is not reasonable or feasible to expect NHS staff and services still operating in a Level 4 incident to divert time and energy to take part in competitive tendering processes this financial year. Put simply, this is not the time to risk making qualified nurses redundant, or to damage morale by creating an unnecessarily uncertain future for any of our frontline NHS staff who continue to risk their own safety to support the NHS response to the pandemic. We are calling for a pause on retendering NHS community services contracts until the end of 2021/22 to allow services and staff the time they need to recover.

We have already received reports of at least one local authority beginning re-tendering exercises for all its public health services, and we are anxious to stop this from happening elsewhere.

Funding the agenda for change uplift for all staff delivering NHS services

Finally, we remain concerned that there is no long-term solution to make sure that NHS community services commissioned by local authorities are appropriately funded for Agenda for Change pay increases and pension costs. While the public health grant uplifts in the past two years have been welcome, these short-term fixes do not meet the uplift required on many community services contracts which are multi-year, fixed price and not open for renegotiation. We have also heard reports that some commissioners have held back the Agenda for Change uplift as there is no requirement to ringfence this funding. If no long-term resolution is forthcoming, NHS community services may have to cut staff at a time of significantly increased demand, as well as the unknown demand yet to arise following the COVID lockdown period.

We know of some trusts which are considering withdrawing from contracts they consider to be unsustainable because of these problems.

We would like to propose that your departments support NHS community services and local authorities as they respond to and recover from COVID-19 by:

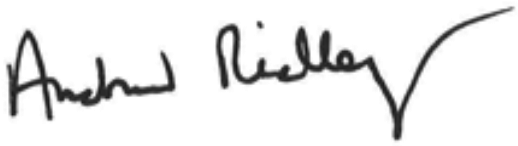
1. Implementing a national pause on tendering of NHS community health and public health services during COVID-19 and an extension of existing contracts to the end of the financial year 2021/22.
2. Committing to fully fund the Agenda for Change pay uplift for staff employed on NHS contracts through health services now commissioned by local authorities.

3. Working together with local government to support their financial pressures so that they do not need to cut vital services, including NHS community health, social care and public health services.

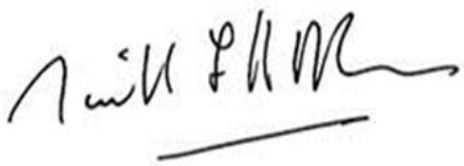
We would appreciate a meeting with you to discuss these issues and to contribute to finding a solution. We will also follow up with your officials.

Working together to support the health and care system's response to, and recovery from, COVID-19 remains our top priority, and we look forward to working with you to achieve this.

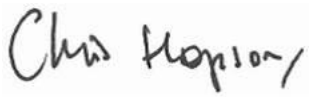
Yours sincerely



Andrew Ridley
Chair of the Community Network
Chief Executive, Central London Community Healthcare NHS Trust



Niall Dickson
Chief Executive, NHS Confederation



Chris Hopson
Chief Executive, NHS Providers

Cc The Rt Hon Boris Johnson MP, Prime Minister
The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer, HMT
The Rt Hon Steve Barclay MP, Chief Secretary to the Treasury, HMT

Jo Churchill MP, Parliamentary Under Secretary of State (Minister for Prevention, Public Health and Primary Care), DHSC
Will Warr, Special Adviser to the Prime Minister