



21<sup>st</sup> March 2024

Dear Steve,

I am writing to inform you of an update on the matter of funding for the 2022/23 non-consolidated awards agreed as part of the Agenda for Change pay deal for non-NHS organisations. I appreciate that this will be a matter of interest to you in your role as Chair of the Health and Social Care Committee. I hugely value the hard work of all our healthcare staff however they choose to be employed. Staff working in non-NHS organisations work incredibly hard and do a fantastic job in delivering services.

It is important to me that all eligible staff receive their non-consolidated awards. As you are aware, in November, I implemented a scheme in which non-NHS organisations were able to apply for funding to cover the cost of these awards to ensure that eligible staff received their award. This is despite the contractual position remaining unchanged that it is for independent providers to work with commissioners, as they would for any other cost pressure, to determine handling in line with local contracts. Eligible organisations were those with contracts to deliver NHS or Public Health Grant services and who employ their staff on dynamically linked Agenda for Change contracts.

Organisations were also asked to show that they would be negatively financially impacted by implementing these non-consolidated pay awards for their staff. However, given the evidence we received from organisations within their applications, we have now agreed to relax this financial criteria to deliver the funding to all eligible staff on this occasion. This decision was further influenced by the unprecedented nature of the bonus relating to covid contributions of staff. Due to this change to the criteria, funding will be provided for over 27,000 members of staff to receive the non-consolidated awards.

My officials have been working closely with NHS England to assess applications from over 180 organisations. I am pleased to inform you that this process is now complete and organisations will be informed of the outcome of their application by the end of this week. Following confirmation of their success, eligible organisations will be contacted by NHSE or DHSC and provided with the funding as quickly as financial processes enable on both sides.

I hope you will be pleased to hear this news and I would personally like to reaffirm my gratitude for the hard work of our healthcare staff.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Stephenson". The signature is fluid and cursive, with a large initial 'A' and 'S'.

**THE RT HON ANDREW STEPHENSON CBE MP  
MINISTER OF STATE**