

- To:
- Trust and Foundation Trust Financial Directors
  - ICB Financial Directors
  - Trust and Foundation Trust Chief Executives
  - ICB Chief Executives and Chairs

NHS England  
Wellington House  
133-155 Waterloo Road  
London  
SE1 8UG

**20 July 2022**

- cc.
- Regional Financial Directors

Dear colleagues,

## **RE: 2022/23 Pay award**

The Government has yesterday announced that it is accepting the recommendations of the Doctors' and Dentists' Remuneration Body (DDRB), the 35th report of the NHS Pay Review Body (NHSPRB), and the 44th report of the Senior Salaries Review Body (SSRB). Further details can be found [here](#).

It is right that the essential work of frontline NHS staff responding to the pandemic and recovering services is recognised and rewarded. It is also an operational necessity if we are to retain the staff needed to make further inroads into the COVID-19 backlog and continue to respond to significant operational demands.

Systems and providers will be funded in full for the pay award on top of existing allocations. As a result you can continue to focus on operational demands, including urgent and emergency care and recovering COVID-19 backlogs.

We are also taking this opportunity to set out the actions we will be taking to reduce agency expenditure that have been developed in collaboration with system partners (Annex A) as part of our ongoing commitment to deliver the best possible value for every pound of taxpayer funding.

### **Funding the pay award**

We will allocate an additional c£2bn to systems and NHS England commissioners to cover the additional cost of the pay increase for 2022/23 above the level included in existing allocations. Systems and NHS England commissioners are expected to reflect this increase in their contracts with trusts in line with a 1.7% uplift to tariff. The allocation will also take account of cost increases on services provided by non-NHS providers, and

the additional costs of providing education and training. Funding must be flowed appropriately to all providers.

The additional cost will require NHSE and the Department to reprioritise centrally held-budget lines including national technology programmes. Details will be set out shortly. These savings will allow the NHS to focus on frontline patient care this year but will impact on the ability to deliver on specific plans and goals. We will reflect on these additional factors with Government as we continue work to update the Long Term Plan over the summer.

### **Capacity to support performance**

Recognising the current set of demands on systems, it is also now critical that we continue to increase capacity in and out of hospitals to support performance and patient flow, particularly for emergency services. We are working with all of you on capacity plans for ambulance delays and long waits in Emergency Departments as part of the current operational response and ahead of winter. We will confirm funding and plans to support these goals including for virtual wards over the coming weeks. Agreed plans will be funded.

### **Recovering COVID-19 backlogs**

We are asking systems to continue to focus on mental health services, using resources provided through the Mental Health Investment Standard and transformation funding; and to reduce long waits, where systems should continue to focus on ambitions for 104 weeks, 78 weeks, and cancer over the rest of this year—building on the good progress so far. As COVID-19 infection rates fall we will need to target recovery of activity so that we can return to better than pre-pandemic levels.

Thank you for all that you and your staff are doing to look after patients and deliver value for taxpayers. We have seen the busiest May and June in our emergency departments, have dealt with successive waves of COVID-19 pressure, continued to protect the population through the vaccination programme, are seeing around 10% more patients in general practice than before the pandemic, and decreased the number of the longest waiters by more than 80%.

Yours sincerely,

A handwritten signature in grey ink that reads "J Kelly". The letters are cursive and slightly slanted to the right.

**Julian Kelly**  
Chief Financial Officer  
NHS England