BY EMAIL

31 March 2017

To:
NHS provider trust Chief Executives
NHS provider trust Directors of Nursing
NHS provider trust Medical Directors

Dear Colleague

Staff working through agencies if they hold a substantive NHS contract

Further to my letter to you on the 27 February, I wish to provide you with a further update to this guidance on IR35, agency and locum rules starting the 1st April.

We recognise the excellent work you have done to drive down locum and agency costs this year, and your continued commitment to further reductions is right for the service. Our aim is to ensure that we have a safe and effective system that maximises substantive and bank options and also gets value for money for the public purse.

The new rules we published have led to a significant amount of feedback that we have reviewed. You will understand that the IR35 rules must remain in place to start from the 1st April due to HMRC regulations.

However, I can confirm that NHS Improvement is pausing until further notice the instruction that trusts should ensure that staff engaged through an agency are not substantively employed elsewhere in the NHS. To be clear, this new rule will not start from the 1st of April and your normal processes can remain in place.

We will review the timeline and system preparedness for any further changes to this policy and will engage with the system and staff as appropriate. Note that we are still proceeding in full with the other agency policies recently announced.

Many thanks again for your efforts in this area.

Yours sincerely

Jim Mackey
Chief Executive, NHS Improvement