

14th August 2006

Dear SHA Chairs

CC: SHA Chief Executives

Gateway reference - 7022

Agenda for Change and NHS Contractors Staff – implementation of the joint statement for soft facilities management staff

In the autumn of 2005 the Secretary of State and I agreed with the NHS Employers organisation, the CBI, BSA and NHS Unions, a joint statement of good practice under which terms and conditions no less favourable overall to Agenda for Change terms would be made available to staff employed by contractors providing cleaning, portering and other soft facilities management services in the NHS.

As you may be aware, prior to this agreement, there was widespread concern that the emergence of significant differences in terms and conditions between contractor's staff and NHS staff working along side each other, was poor employment policy, put service quality at risk and, in some cases, was leading to serious industrial relations problems. The joint statement was part of the Government's commitment to deal with this issue. All parties to the agreement hoped that NHS organisations would move to adopt the joint statement by the 1st October 2006, and put this issue to rest. But in practice implementation has been slower than expected, and at present it looks as though only a third of contracts are likely to be compliant with the joint statement by this date.

A number of factors have undoubtedly played a part in this slow progress. One of these is the status of the joint statement. It is true that it does not have the same legal status as the Agenda for Change collective agreement. This is because the parties could not enforce amendments to existing service contracts on behalf of individual trusts and contractors. It was, therefore, drawn up as a statement of good practice. However all parties to the agreement expected that this would be implemented by individual organisations, and all of us have agreed to do everything we can to encourage them to do so.

I am therefore writing to you as senior leaders in the NHS, requesting that together we re-emphasise the importance of implementation, sending a clear signal that where we decide that services can best be provided by contractors we continue to be concerned about high standards of patient services and the well-being, training and motivation of all the staff providing them.

We have adjusted tariff for the extra costs involved in implementing the code in 2006-07, and many contractors are at present holding in their balance sheets the funds to support their contribution as set out in the joint statement. The parties to the joint statement do recognise that there are some organisations struggling to recover deficits. But even in these cases it is important that organisations engage with local contractors and recognised unions to try and work out acceptable arrangements for implementation.

I am copying this letter to your Chief Executive, as it would be enormously helpful if they could identify someone in the authority to lead on this issue, and work with us to identify those trusts who are finding implementation difficult and to deal with any problems they are encountering – your Chief Executive received a letter recently from Nic Greenfield on this matter. My officials will also be able to let whoever is identified know about access to information and support that they can pass on.

These arrangements affect some of the lowest paid staff in the NHS and as a matter of fairness and good faith I hope we can work together to speed up implementation of the joint statement.

Yours sincerley

NORMAN WARNER