

Divisions Affected – N/A

Delegated Decision by Cabinet Member for Public Health & Inequalities

Agenda for Change payments to NHS providers Report by Corporate Director for Public Health and Communities

RECOMMENDATION

The Cabinet Member is RECOMMENDED to:

- a) Agree to a variation to contract for 0-19 Public Health Nursing Services to Oxford Health NHS Foundation Trust to cover above expected staff pay costs for the NHS employed staff on Agenda for Change contracts.

Executive Summary

1. The Government announced that employees who are on Agenda for Change NHS terms and conditions would receive an above inflation pay rise for both 2024/2025 and 2025/2026.
2. In light of these increases in costs, the Council has received uplifts to the public health grant to ensure that public health funded contracts that include staff on Agenda for Change NHS terms and conditions remain sustainable.
3. The Cabinet Member is recommended to agree to a variation to contract for 0-19 Public Health Nursing Services to Oxford Health NHS Foundation Trust to cover above expected staff pay costs for the NHS employed staff on Agenda for Change contracts.

Background Information

4. In December 2024, the local authority public health grant was given a 2024/25 in-year uplift to support commissioned services with staff eligible for the 2024/25 NHS Agenda for Change pay award of 5.5%. Based on tendered price information and current costs of local NHS contracts, this is 2.5% higher than local NHS providers had budgeted for.
5. In July 2025, the local authority public health grant was given a further 2025/26 in-year uplift to support commissioned services with staff eligible for

the 2025/26 NHS Agenda for Change pay award of 3.6%. Again, this is above the 3% assumption that NHS providers had made in their original tenders.

6. The contract commissioned by Public Health for the 0-19 Public Health Nursing Services is being delivered by Oxford Health NHS Foundation Trust. Staff in this service are on NHS Agenda for Change terms and conditions.
7. This is the:
 - Oxford Health NHS Foundation Trust, provision of 0-19 Public Health Nursing Services contract
8. It is important to note, the uplifts to the public health grant were specifically intended to support contracted organisations with staff on NHS Agenda for Change terms and conditions who received above inflation pay awards in 2024/25 and 2025/2026. There is no expectation from government to use this funding to increase the value of contracts with staff not on Agenda for Change terms and conditions, irrespective of their 2024/25 and 2025/26 pay awards. Nor is there any expectation that similar funding will be made available if Agenda for Change staff receive above anticipated pay awards in the future.
9. To calculate the value of the contract variation, public health and procurement officers requested detailed costing information regarding staffing costs for this contract who are on Agenda for Change terms and conditions. This review included employees of Oxford Health NHS Foundation Trust and any potential subcontractors directly involved in delivering the contracted services.
10. Public Health officers will continue to ensure the financial viability of commissioned services due to anticipated cost pressures as part of the Council contract review process.

Corporate Policies and Priorities

11. These public health commissioned services support the Council's corporate strategic plan 2023-2025
 - (a) Prioritise the health and wellbeing of residents
 - (b) Create opportunities for children and young people to reach their full potential

Financial Implications

12. To cover above expected pay awards for staff on NHS Agenda for Change terms and conditions, the total variation to contract is up to a maximum of £2,373,315. Details of this are provided in the table below and cover the lifetime of the existing contract which is due to end in 2028/29, with an option to extend for up to two further years to 2030/31.

Funding to cover this variation to contract is through the uplifts to the public health grant provided in 2024/25 and 2025/26, this does not place an additional pressure on other public health commissioned services or on other Oxfordshire County Council budgets.

Contract / year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Public health service (0-19's) 2024/25 Uplift	£ 255,188	£ 262,843	£270,728	£ 278,850	£ 287,216	£295,832	£304,707	£1,955,368
Public health service (0-19's) 2025/26 Uplift	£ -	£ 64,613	£ 66,552	£68,548	£ 70,605	£ 72,723	£74,904	£417,947

Comments checked by:

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Legal Implications

13. The Council has a statutory obligation to “take such steps as it considers appropriate for improving the health of the people in its area” (s2B National Health Service Act 2006 (“NHS Act 2006”) as amended by s12 Health and Social Care Act 2012). This contract is considered health services and therefore the proposed variation will fall under The Health Care Services (Provider Selection Regime) Regulations 2023. Regulation 13 allows an Authority to modify a contract during its term where the modification is attributable to a decision of the relevant authority, the modification does not make the contract materially different in character, and the change in value is less than the greater of £500,000 or 25% of the original contract value.
14. The proposed contract variation can therefore be made directly in agreement with the provider because it will not affect the contracted services provided and is designed to ensure services can continue to be delivered as described in the contract despite increased salary costs for providers. The proposed modifications are also significantly less than 25% of the original contract value.
15. Contract Variations will be drawn up through the standard Oxfordshire County Council legal and procurement processes.

Comments checked by:

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Staff Implications

16. The Public Health Team will work with legal and procurement to ensure that the necessary changes are made to the existing contract through a contract variation.

Equality & Inclusion Implications

17. This is not a new service. The ECIA implications are the same as for the existing contract.

Risk Management

18. The key risks identified for this commission are
 - (a) affordability which has been considered in the finance section of the report, the funding has been provided through the public health grant.

Consultations

19. The recommendation has been discussed with Oxford Health NHS Foundation Trust.

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