

**6 JANUARY 2025**

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| <b>REPORT TITLE:</b> | <b>NHS PAY AWARDS: WIRRAL COMMUNITY HEALTH AND CARE NHS FOUNDATION TRUST, PUBLIC HEALTH CONTRACTS</b> |
| <b>REPORT OF:</b>    | <b>HEAD OF PUBLIC HEALTH OPERATIONS</b>   |

## **REPORT SUMMARY**

Public Health commissions a number of services from Wirral Community Health and Care NHS Foundation Trust (Healthy Child Programme, Integrated Sexual Health Service, Community Infection Prevention and Control Service, Children and Young People Healthy Weight Programme and Risk and Resilience Service). Responsibility for paying the nationally agreed NHS staff inflationary uplifts for Public Health contracts (for NHS staff directly employed to deliver these services) has transferred to Local Authorities from NHS Cheshire & Merseyside Integrated Care Board (ICB), to account for pay awards from 1<sup>st</sup> April 2023.

The value of meeting these uplifts for Public Health contracts for 2023/24 and 2024/25 is £648,859. Additional funding has been received to the value of £510,440 contributing to covering the costs, with the remainder balance of £138,419 to be funded by the Public Health ring-fenced grant.

The Council is not contractually obliged to cover these costs but failure to take this decision and not provide the pay award to NHS staff employed on these contracts would be a reputational risk and could impact on the quality of provision of mandated Public Health services.

These Public Health services, delivered by NHS staff within Wirral Community Health and Care NHS Foundation Trust, support the vision of the Wirral Working Together Plan 2023-2027 and its key themes to work together to improve early help for children and families and to promote independence and healthier lives.

This is a key decision as the total of the proposed contract variations exceed £500,000 and the proposed actions affects all wards within the borough.

## **RECOMMENDATION**

The Director of Public Health is recommended to approve contract variations to Wirral Community Health and Care NHS Foundation Trust Public Health contracts (Healthy Child Programme, Integrated Sexual Health Service, Community Infection Prevention and Control Service, Children and Young People Healthy Weight Programme and Risk and Resilience Service), to meet the nationally agreed NHS Agenda for Change staff pay awards for 2023-24 and 2024-25, at a total cost of £648,859 over this two year period.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

1.1 Public Health commissions a number of services from Wirral Community Health and Care NHS Foundation Trust, to deliver both mandated and non-mandated Public Health services. Responsibility for paying the nationally agreed NHS staff inflationary uplifts for Public Health contracts (for staff directly employed to deliver these services) has transferred to Local Authorities (Public Health budgets) from NHS Cheshire & Merseyside Integrated Care Board (ICB), to account for pay awards from 1<sup>st</sup> April 2023.

### **2.0 OTHER OPTIONS CONSIDERED**

2.1 The option of not passing on the funding for the nationally agreed pay award for staff was considered but not deemed to be a viable option. To not provide the pay award would be a reputational risk and could impact on the quality of provision of mandated Public Health services.

### **3.0 BACKGROUND INFORMATION**

3.1 The Council has a number of Public Health contracts in place with Wirral Community Health and Care NHS Foundation Trust, delivering Public Health services funded through the ring-fenced Public Health grant. These contracts can be summarised as:

- Healthy Child Programme (mandated service). Contract term: 1 February 2020 – 31 January 2025 (with two 12-month extension options). Total contract value: £34,165,993.
- Integrated Sexual Health Service (mandated service) Contract term: 1 April 2024 – 31 March 2029 (with two 12-month extension options). Total contract value: £20,365,687.
- Community Infection Prevention and Control Service (mandated service). Contract term: 1 April 2022 – 31 March 2027 (with two 12-month extension options). Total contract value: £2,616,786.
- Children and Young People Healthy Weight Programme. Contract term: 1 September 2023 – 31 August 2024. Total contract value: £170,739.
- Children and Young People Risk and Resilience Service. Contract term: 1 September 2024 – 31 August 2029 (with two 12-month extension options). Total contract value: £3,381,948.

3.2 The staff delivering these services are in receipt of the nationally agreed NHS Agenda for Change pay terms and conditions. Historically, pay awards for these NHS staff have been met by NHS commissioning organisations. In Wirral this cost was picked up by Cheshire & Merseyside ICB (Wirral Place). This responsibility has now transferred to the Council and additional funds were included within the Public Health grant to reflect this.

3.3 The nationally agreed NHS Agenda for Change pay awards are as follows:

- 2023-2024: 5.0%
- 2024-2025: 5.5%

#### 4.0 FINANCIAL IMPLICATIONS

4.1 The value of meeting these uplifts for Public Health contracts over this two-year period is £648,859. This will be paid for via the ring-fenced Public Health grant. Further information is provided for each contract line in the table below:

Table 1: Summary of the financial impact of the NHS Pay Award on the Public Health contracts with Wirral Community Health and Care NHS Foundation Trust

| Contract description                                | 2023/24  | 2024/25  | Total    |
|---|----------|----------|----------|
|   | 5%       | 5.5%     |          |
| Healthy Child Programme                             | £252,351 | £291,465 | £543,816 |
| Integrated Sexual Health Service                    | -        | £50,628  | £50,628  |
| Integrated Infection Prevention and Control Service | £17,532  | £20,249  | £37,781  |
| Children and Young People Healthy Weight Programme  | £6,393   | £3,076   | £9,469   |
| Children and Young People Risk and Resilience       | -        | £7,165   | £7,165   |
| Total   | £276,276 | £372,583 | £648,859 |

4.2 The Public Health ring-fenced grant for 2024/25 has received additional funding of £510,440 (£159,892 for 2023-24 and £350,548 for 2024-25) to account for these recurrent nationally agreed pay awards for NHS providers delivering Public Health commissioned services. This means that there is a funding gap of £138,419 to the agreed local costs, which Public Health would meet using the Public Health Grant. Feedback from the Department for Health and Social Care has indicated that there is an unquantified baseline element built into the Public Health Grant to meet Agenda for Change pay costs of eligible staff working in organisations commissioned by local authorities to deliver public health services.

#### 5.0 LEGAL IMPLICATIONS

5.1 The regulation 72(c), Public Contract Regulations 2015 allows modifications of contracts without a new procurement procedure where all of the following conditions are fulfilled:

- (1) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen.
- (2) the modification does not alter the overall nature of the contract.

(3) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

5.2 The total request to modify the contracts is for £648,859 against the total contract values of £60,701,157 i.e. 1.07%.

5.3 The proposed contract variations comply with regulation 72(c) of the Public Contract Regulations 2015.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 Public Health officers will continue to formally manage these contracts and work with the provider to forecast the cost pressures related to the pay award in future years, liaising with the Department for Health and Social Care.

## **7.0 RELEVANT RISKS**

7.1 Contract risks are managed through formal contract management processes, with critical risks escalated to the Public Health Department Management Team.

7.2 In future years, if the Public Health grant is not increased at the same levels to meet the increased cost of the pay award, this will leave Public Health with an ongoing shortfall that will be factored into annual budget setting decision making and the department's medium term financial plan. The medium-term financial plan will also build in higher-than-expected inflation assumptions to reduce the risk of these annual uplifts producing in-year financial pressures. The Public Health Grant presently does not have an indication of the values that are built into its baseline for Agenda for Change pay costs of eligible staff working in organisations commissioned by local authorities to deliver public health services. Public Health officers await publication of the 2025-2026 Public Health Grant to see if this will now be included. If it is not, we will liaise with the Department for Health and Social Care to try to identify these associated values.

7.3 Whilst the Council is not contractually obliged to cover these costs, failure to take this decision and not provide the pay award to staff employed on these contracts would be a reputational risk and could impact on the quality of provision of mandated Public Health services.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 The development and design of the services originally commissioned was informed by engagement and consultation processes involving key partners, stakeholders, and local communities.

## **9.0 EQUALITY IMPLICATIONS**

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment (EIA) is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity. The EIAs for these services have been reviewed and are still valid. They can

be found here: <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>

- Re-commissioning of Wirral Community Infection Prevention and Control Service
- Development of a risk and resilience approach for children and young people
- Children and young people weight management: Wirral Community Health and Care Foundation NHS Trust

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 During the procurement process for these contracts, bids were evaluated on the social value added to the service, including potential impact of the contract on Wirral's climate and environment. Social value continues to be monitored as part of routine contract and performance management arrangements.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 Community Wealth Building is a people-centred approach to economic growth which reorganises local economies to be fairer and stops wealth flowing out of communities, towns, and cities, and instead places control of this wealth into the hands of local people, communities, businesses, and organisations. These contracts support several of the key outcomes within the strategy.

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## **APPENDICES**

None

## **BACKGROUND PAPERS**

- Public health ring-fenced grant financial year 2024 to 2025: [local authority circular - GOV.UK](#)
- WCHC Public Health Contract: Healthy Child Programme (Core Programme). DN406011
- WCHC Public Health Contract: Wirral Integrated Sexual Health Service. DN688464
- WCHC Public Health Contract: Wirral Children and Young People 'Risk and Resilience'; Risk Factors/Health Related Behaviours Offer. DN699392
- WCHC Public Health Contract: Wirral Community Infection Prevention and Control Service. DN568203
- WCHC Public Health Contract: Children and Young People Healthy Weight Programme. DN641665

## **TERMS OF REFERENCE**

This report is being considered by the Adult Social Care and Public Health Committee in accordance with Section 2.2(c) of its Terms of Reference:

All Public Health functions (in co-ordination with those functions reserved to the Health and Wellbeing Board and the Overview and Scrutiny Committee's statutory health functions)

## **SUBJECT HISTORY (last 3 years)**

| <b>Council Meeting</b> | <b>Date</b> |
|------------------------|-------------|
| <b>None</b>            |             |