

## Slough Borough Council

<b>Report To:</b>	Cabinet
<b>Date:</b>	17 <sup>th</sup> November 2025
<b>Subject:</b>	Health Visiting School Nursing 0-19 service (and up to 25 years for SEND) - NHS pay award commitment for 2024/25 & 2025/26 & potential future AfC payments
<b>Lead Member:</b>	Cllr Ishrat Shah, Lead Member for Public Health, Wellbeing and Equalities
<b>Chief Officer:</b>	Tessa Lindfield, Director of Public Health and Public Protection
<b>Contact Officer:</b>	Uche Obasohan, Public Health lead
<b>Ward(s):</b>	All
<b>Key Decision:</b>	YES
<b>Exempt:</b>	NO
<b>Decision Subject To Call In:</b>	YES
<b>Appendices:</b>	None

### 1. Summary and Recommendations

1.1 This report seeks Cabinet approval for a contract variation to the 0-19 (25 for SEND) Health Visiting and School Nursing service, currently provided by HCRG Care Services Ltd, to provide additional funding to cover the Agenda for Change (AfC) Pay Award for both 2024/25 (5.5%) & 2025/26 (3.6%) as well as potential future AfC payments.

#### Recommendations:

Cabinet is recommended to:

- (a) Approve to pay the provider (HCRG Care Services Ltd) of the 0-19 Health Visiting & School Nursing service, the Agenda for Change (AfC) NHS pay award as recommended in 2024/25. This will be a retrospective approval of the 5.5% increase on staffing costs to be applied to the contract value from 2024/25 and for the remainder of the contract term.
- (b) Approve to pay the provider (HCRG Care Services Ltd) of the 0-19 Health Visiting & School Nursing service, the AfC NHS pay award as recommended in 2025/26. This will be an increase of 3.6% on staffing costs to be applied to the contract value from 2025/26 and for the remainder of the contract term.

(c) To secure a mechanism for implementation of annual AfC pay award payments to the provider until the end of the contract. The award of any potential future AfC payments will be reviewed in line with the recommendations from the NHS pay review body and funding received from the Department of Health and Social Care.

**Reason:**

(a) The Department of Health and Social Care (DHSC) provides a ring-fenced Public Health Grant to local authorities under section 31 of the [Local Government Act 2003](#). This grant is intended to fund statutory public health functions, including commissioned services such as the 0–19 Healthy Child Programme.

(b) As part of the national NHS pay settlement, the Agenda for Change (AfC) framework sets pay rates for the majority of NHS staff including community services such as health visiting and school nursing. The Health and Social Care Secretary accepted the recommendations of the independent pay review bodies to confirm pay awards for both 2024/25 & 2025/26 for doctors, nurses, dentists, and other NHS staff. This confirms what these groups will be paid for each financial year. The staff employed by HCRG to deliver the Slough Child and Family Wellbeing service are employed on NHS terms and conditions and are therefore eligible for the Agenda for Change pay increase.

**Commissioner Review**

*“Under the UK's TUPE regulations all contractual rights and liabilities for transferring employees automatically move from the old employer (transferor) to the new employer on the date of the transfer. The overarching variation over the contract life is in the region of 11%, which includes an estimated provision for future years uplifts, which is confirmed to be compliant with procurement regulations.*

*The commissioners are content with this report being considered.”*

## **2. Report**

### **Introductory paragraph**

2.1. The [Healthy Child Programme](#) (HCP) is the core, early intervention and prevention public health nursing programme that lies at the heart of the universal public health service for children and families. It offers every family a range of evidence-based interventions to build the foundations of a healthy life, improve child health outcomes, and reduce inequalities. Slough Borough Council is fully committed to the HCP and recognises it as a key element in giving every child in Slough the best start in life. The Health Visiting and School Nursing Service, through the delivery of the Healthy Child Programme, is a key driver towards meeting the strategic priorities set out in the Slough Borough Council Corporate plan and will contribute to achieving the outcomes for children and young people in Slough.

2.2. The service is key to the delivery of the following strategic plans:

- Slough Borough Council Corporate Plan 2023-2027
- Slough Borough Council Wellbeing Strategy 2020-2025
- Slough Early Help Partnership Strategy 2023-2025

2.3. The Council commissions its existing Health Visiting and School Nursing (0 to 19- up to 25 for SEND) service. The service which is now called 'Slough Child and Family Wellbeing', is provided by HCRG Care Group Ltd. HCRG Care Services Ltd commenced mobilisation of the service on 1<sup>st</sup> October 2024. The contract length is 5 years (3 + 1 + 1) with an originally value of £2,910,945 per annum. This gives an original total contract value of £14,554,725. The original contract does not include any inflationary uplifts. An additional transformation fund of up to £174,000 per annum is also available to transform the service. This transformation fund is available for every year of the contract length. The award of this contract was approved by Cabinet in May 2024.

2.4. The decision to approve the Agenda for Change (AfC) pay awards for the 0–19 Health Visiting and School Nursing contract will ensure that the council continues to deliver high quality statutory public health services. By honouring nationally recommended AfC pay awards, the council is supporting workforce stability, protecting service continuity, and safeguarding the delivery of early intervention and prevention services for children, young people, and families in Slough. This decision aligns with the council's vision and corporate priorities by:

- Improving outcomes for children and young people through continued access to high quality health visiting and school nursing services.
- Promoting fairness and wellbeing by ensuring staff delivering these services are paid in line with national NHS pay awards.
- Delivering statutory responsibilities effectively through compliance with public health grant conditions and national NHS frameworks.
- Maintaining financial transparency and sustainability by managing contract uplifts through appropriate governance.

**Table 2: Options considered**

Option	Pros	Cons (including key risks)	Reasons why/why not recommended
<b>Option 1: 'Do Nothing':</b> Existing system is good enough and the business will not make any changes or improvements to the current platform.	No additional cost is required	Fails to meet national AfC pay award recommendations. Potential for significant impact on service delivery and likely loss of staff.	Not a viable option but was appraised to provide the current baseline.
<b>Option 2: 'Do Something':</b> Improve and retain current system.	Partial uplift	Lacks full compliance with AfC national pay award recommendations and may not be enough to retain staff	Not preferred as it introduces financial uncertainty
<b>Option 3: Recommended option:</b> -To pay the Provider of the 0-19 Health Visiting & School Nursing the 2024/25 and 2025/26 (AfC) pay award. - To secure a mechanism for annual AfC uplifts payments to provider aligned with inflation till the end of the contract	Meets full AfC uplift national recommendations, improves staff morale, recruitment and retention	Will require upfront PO to cover retrospective costs (total of £96,861 to cover both pay awards for April – Sept 2025) along with contract variation and new PO for future payments.  The cost of further NHS Pay award recommendations is not yet known and has been provided as an estimate only in this paper.	Recommended as it enables continued service delivery.

## Background

The Slough Child and Family Wellbeing service enables the Council to meet its statutory obligations to provide a 0 to 19 Health Visiting & School Nursing (Healthy Child Programme) Service that addresses both statutory and local service delivery imperatives for Public Health Services.

The Department of Health and Social Care (DHSC) provides a ring-fenced Public Health Grant to local authorities under section 31 of the [Local Government Act 2003](#). This grant is intended to fund statutory public health functions, including commissioned services such as the 0–19 Healthy Child Programme.

In 2024/25, the NHS Pay Review Body recommended a 5.5% pay award for all Agenda for Change Staff (backdated to April 1<sup>st</sup> 2024). HCRG was subsequently awarded an uplift of £113,069 per annum from October 2024 to cover the 2024/2025 financial year. This included payment to cover the period of April-September 2024 as although the previous service provider was in place at that time, the staff had been Tupe'd over to the new service provider and there was no other mechanism to ensure they could receive the back-pay owed to them. While this payment was approved through the ECP process, it has subsequently transpired that the approval request for this uplift was not taken to procurement review board and therefore the contract variation going forward was not enacted.

In addition, the NHS Pay Review Body has subsequently recommended the Agenda for Change pay award for 2025/26, to be a 3.6% consolidated increase, backdated to April 1<sup>st</sup> 2025, which applies to all agenda for change staff (including health visiting and school nursing). In line with the 2025/26 Agenda for Change (AfC) pay award, we seek approval for a contract variation to include additional funding to cover the 3.6% uplift in staff costs. Based on current staffing levels, this equates to £80,542 for 2025/26.

In the 2025-2026 Public Health Grant Circular, the Department of Health and Social Care (DHSC) confirmed that local authorities would receive an uplift to the Public Health Grant, in Quarter 3 payments to cover the additional cost impact of NHS Agenda for Change (AfC) pay awards. This included non-NHS providers commissioned to deliver public health services such as HCRG, who deliver the 0–19 service for Slough.

Table 1 outlines the two pay awards for 2024/25 and 2025/26 and a breakdown of how the contract will increase each year. This includes an assumption of future pay awards estimated at 3% per annum from 2026/27 onwards, recognising that this is an estimate only and likely to change. Any variation from this would be wrapped up in end of contract rebalancing and variation as required.

## Supporting Evidence

- [DHSC Public Health Grant Circular 2025–2026](#)
- [Section 31 of the Local Government Act 2003](#)
- [Annex A – Grant Determination](#)

**Table 1:**

This table summary shows the AfC pay awards for the 0–19 Health Visiting and School Nursing service contract. It provides a breakdown of how the contract value is expected to increase each year – including both the confirmed AfC pay awards for 2024/25 and 2025/26 and also potential future pay awards which have been estimated at 3.0% per annum. These values are subject to change, but are included to provide an illustration of potential future costs. The agenda for change award applies to staff salaries only.

Of note, the service provider changed to HCRG in October 2024, however the Tupe'd staff were owed the additional AfC payment to cover the period from April – October 2024. This was paid to the new service provider as a one-off payment in October 2024. The new contract was then awarded in October 2024 for 3+1+1 years. Potential future AfC awards have not yet been confirmed, but for the purpose of modelling the future budget, they have been estimated at 3% from 2026/27 onwards.

The original contract was awarded at £2,910,945 per annum at a total value of £14,544,725. An additional transformation fund of up to £174,000 per annum is also available to transform the service, which would come to an additional total sum of £870,000 over the entire 5 year term of the contract.

		Baseline	Non Staff	Staff	uplift	NHS Pay award	Actual Impact of NHS Pay award **	Annual forecast	Annual movement	Accumulated movement
24/25 (Oct 24 to Mar 25)	6 mnths	1,455,473	427,573	1,027,900	113,069	5.50%	5.50%	1,568,542	113,069	113,069
25/26 (Apr 25 to Mar 26)	1	3,024,014	817,380	2,206,634	80,542	3.60%	3.65%	3,104,566	80,542	193,611
26/27 (Apr 26 to Mar 27)	1	3,104,556	817,380	2,287,286	69,530*	3.00%*	3.04%	3,174,086	69,530	263,141
27/28 (Apr 27 to Mar 28)	1	3,174,086	817,380	2,356,916	71,644*	3.00%*	3.04%	3,245,730	71,644	334,785
28/29 (Apr 28 to Mar 29)	1	3,245,730	817,380	2,428,635	73,822*	3.00%*	3.04%	3,319,552	73,822	408,607
29/30 (Apr 29 to Sep 29)	6 mnths	1,659,776	408,690	1,251,086	38,033*	3.00%*	3.04%	1,697,809	38.033	446,640
				Totals	£446,640			£16,110,275		£1,759,854
						Transformational fund		£870,000		
						Total		£16,980,275		

\*estimated values from 2026/27 onwards as future Agenda for Change pay awards have not been confirmed yet

\*\*Note: Actual impact of NHS pay award comprises of basic pay, national insurance, pension and apprenticeship levy

### **3. Implications of the Recommendation**

#### **3.1 *Financial implications***

The Public Health Agenda for Change refers to the National Health Service's (NHS) Agenda for Change (AfC), a pay and grading system established in 2004 to provide fair, harmonised pay and terms for non-medical NHS staff across the UK. This is a contractual commitment to Slough Borough Council employees.

The Agenda for Change pay uplift for 2024/25 and 2025/26 as well as potential future AfC uplifts estimated at approximately a total of £1,759,854, based on current staffing levels has been validated by the Adult Social Care Finance and will be funded from Public Health Grant.

The Public Health Grant allocation includes the additional 2025/26 in-year cost impact of the NHS pay awards for health services commissioned by local authorities and funded through the public health ring-fenced grant.

There is no direct impact on Slough Borough Council General Fund.

#### **3.2 *Legal implications***

3.2.1 The contract between the Council and HCRG Care Services Ltd for the provision of 0 to 19 Health Visiting & School Nursing Service commenced on 1 October 2024. The initial term of the contract is 3 years with the option to extend by a further period or periods of up to 2 years.

3.2.2 Clause 11.12 of the contract states that the Council may (at its sole and absolute discretion) increase the Charges on an annual basis taking into account the following:

- (a) Any decisions made by the UK Government including but not limited to the Department for Health and Social Care in respect of NHS pay in England;
- (b) Any recommendations made by the NHS Pay Review Body in respect of NHS pay in England;
- (c) NHS Agenda for Change salary scales as applicable to England; and/or
- (d) Any other criteria as determined by the Authority at its sole and absolute discretion.

3.2.3 The original total contract value is £14,554,725 for the 3 + 1 + 1 term. The total uplift costs are estimated to be £1,759,854 over the entire contract term of 3+1+1 years.

3.2.4 The contract was awarded under the Public Contract Regulations 2015 but, as the main subject matter of the contract is healthcare services, the Provider Selection Regime (PSR) would need to be applied for any contract modifications following 1 January 2024.

3.2.5 Regulation 13 of the PSR allows for this modification during the contract term on the basis that:

- - the nature and scope of the modification is clearly and unambiguously provided for in the contract; and
- the modification is attributable to a decision of the authority and does not materially alter the character of the contract, and the cumulative change in the lifetime value of the contract (compared to the original contract value) is under 25%.

3.2.6 Where the cumulative change in the contract value from the original contract value is £500,000 or more, the Council must publish a notice of contract modification on Find a Tender service within 30 days.

3.2.7 Given the total value of the contract, the Council's Contract Procedure Rules state that Cabinet approval is required for this contract variation.

### 3.3 *Risk management implications*

#### 3.3.1 Table 3

RISK	LIKELIHOOD	IMPACT	MITIGATION
Delay in approval leads to staff not receiving AfC pay award on time affecting staff morale and potentially impact retention and recruitment of staff.	Medium	High	Agree delivery timeline with provider in advance and monitor progress regularly until funds are transferred
There may be limited capacity to fund AfC pay awards from the public health grant in future years depending on other cost pressures.	Medium	High	Monitor public health grant expenditure closely and ensure future NHS pay awards are built into baseline budget planning.
Risk of service disruption if uplifts not applied	Low	High	Contract variation ensures compliance and staff retention

### 3.4 *Environmental implications*

3.4.1 There are no direct environmental implications arising from this decision. The contract variation relates solely to national recommended NHS Agenda for Change pay awards for staff. Having a stable workforce may reduce the need for temporary staffing and associated travel. This supports efficient and sustainable service delivery.

### 3.5 *Equality implications*

3.5.1 The decision has positive equality implications. The AfC pay award applies nationally and ensures that staff delivering the 0–19 services in Slough receive fair and equitable pay in line with NHS staff across the country. In relation to the 0-19 service, an initial Equality Impact Assessment (EIA) has been completed in January 2022 and refreshed in August 2022. The service continues to seek to address these needs.

### 3.6 *Corporate Parenting Implications*

3.6.1 Applying the NHS Agenda for Change (AfC) pay award to the 0–19 Health Visiting and School Nursing service has a positive impact on corporate parenting responsibilities. Children in care are more likely to require additional health support, including emotional wellbeing, physical health checks, safeguarding, and early intervention services. By ensuring that staff are retained through nationally aligned pay, the council can maintain a stable and skilled workforce to deliver these essential services. This helps to safeguard the health and wellbeing of looked after children and care leavers, supporting the council's statutory corporate parenting duties under the Children and Social Work Act.

### 3.7 Procurement implications

3.7.1 The original contract was awarded on 1<sup>st</sup> October 2024 for an initial term of 3 years with the option of two further extensions for 1 year each (3+1+1). The contract was awarded for £2,910,945 which gives a total contract value of £14,554,725 for the 3+1+1 term. An additional transformation fund of up to £174,000 per annum is available for access to transform the service – this will be available for every year of the service length

The service awarded the provider an uplift of £113,069 per annum for the 2024/2025 financial year backdated to April 2024 (to cover staff costs for staff who were TUPE'd over from the previous contract) and for the remaining term of the contract to include the optional extensions. The service now seek approval to award a further uplift of £80,542 per annum for the 2025/2026 financial year to be paid for the remaining term of the contract to include the optional extensions. These are to cover staff costs, as recommended by the NHS Pay Review Body.

In addition the service are seeking approval to award annual uplifts for the remaining four financial years based on projected uplifts as detailed in Table 1.

Total uplift costs for the contract are therefore:

Uplift for 2024/2025 - £113,069

**Uplift for 2025/2026 - £193,611**

**Uplift for 2026/2027 - £263,141**

**Uplift for 2027/2028 - £334,785**

**Uplift for 2028/2029 - £408,607**

**Uplift for 2029/2030 - £446,640**

**Total Uplift Costs = £1,759,854**

The Health Visiting School Nursing 0-19 services are in scope healthcare services and so local authorities are governed by the Provider Selection Regime (PSR) Regulations 2023.

Under the PSR regulations, some modifications to contracts are permitted during their term and so do not require a new selection process.

Modifications to contracts originally awarded under the Public Contracts Regulations 2015 are permitted during the term of the contract in certain instances and the council is relying on the below for this modification:

-The modification is attributable to a decision of the relevant authority and does not materially alter the character of the contract and the cumulative change in the lifetime value of the contract or framework agreement, compared to its value when it was entered into, is under £500,000 or under 25%

This modification is attributable to a decision of the council and does not materially alter the character of the contract. The cumulative change in the lifetime value of the contract compared to its value when it was entered into, is over £500,000 however is below 25% and so is a compliant modification under the PSR regulations.

As the cumulative change in the lifetime value of the contract is more than £500,000 a transparency notice is required to be published. This will be published following Cabinet approval and within 30 days of modifying the contract.

### **3.8 *Workforce implications***

3.8.1 The decision has clear workforce implications. The AfC pay award applies to NHS staff, this includes HCRG staff who were tupe'd from the incumbent provider last year 2024 to deliver Slough's 0–19 Health Visiting and School Nursing service. Applying the pay award ensures staff are paid fairly and in line with national pay scales, supporting retention, recruitment, and workforce morale. Failure to apply the AfC pay awards would create risks of staff turnover, service disruption, and inequity compared with NHS colleagues nationally.

## **4. *Background Papers***

None