

## Operational Decision Record

<b>Publication Date</b> 25 January 2024	<b>Decision Reference Number</b> 5081
<b>Decision Title</b>	
Agenda for Change (AfC) for Integrated Sexual Health Services (ISHS)	
<b>Decision Value</b>	
£ 118,699.50 (£79,133 in 2023/24 and remainder in 24/25)	
<b>Revenue or Capital Spend?</b>	
Revenue	
<b>Department</b>	
Public Health	
<b>Contact Officer (Name, job title, and contact details)</b>	
Tracey Lamming, Public Health Principal <a href="mailto:tracey.lamming@nottinghamcity.gov.uk">tracey.lamming@nottinghamcity.gov.uk</a> Liz Pierce, Consultant in Public Health	
<b>Decision Taken</b>	
<p>1 To agree the consistent methodology for calculating the AfC contribution from the Public Health Grant to cover AfC costs of providers in 2023/24 and 2024/25 as described below.</p> <p>2 To agree the spending from the Public Health Grant of £118,699.50 to cover the costs of Agenda for Change pay in the current integrated sexual health service and the planned 6 month extension, based on agreed methodology.</p> <p>3 To apply for all or some of this funding to be refunded by the Department of Health if eligible when the details of the scheme are published</p> <p>4 To consider and agree that the scale of this payment does not alter the assessment made in the CPEC paper in October 2023 that regulation 72(1)(b) of CPR 2015 allows for the modification and extension of the proposed contracts at this level.</p> <p>5 To note that, following to Public Health Programme Board discussion, Spend Controls were introduced following the S.114 notice on 29<sup>th</sup> November 2023 and this spending was authorised by the S.151 officer on 12/12/23, reference number 1282</p>	
<b>Reasons for Decision and Background Information</b>	
Agenda for change (AfC) is the NHS pay settlement for NHS staff on specific terms and conditions. There is a requirement for staff working on NHS	

Terms and conditions to receive AfC pay uplifts which includes staff who work in some commissioned local authority services for 2023/24 onwards. This is relevant to the Integrated Sexual Health Services contract currently in place and the agreed contract extension of 6 months (April – September 2024).

Nottingham City Council AfC allocations in previous years have adopted a different methodology with our co-commissioners for Integrated Sexual Health Services (ISHS) Nottinghamshire County Council. This paper outlines the options and implications of each methodology to agree funding for 2023/24 and part year 24/25. Public Health also commission other services that have AfC implications, therefore consistency within the Division is also important.

For ISHS the agreed six-month contract extension Contract Variation (CV) is pending, awaiting the agreement of Agenda for Change uplift across the partners.

The Department of Health and Social Care has recently announced that there will be funding that can be drawn down to cover these costs, but details are not yet available:

<https://www.gov.uk/government/news/funding-for-non-nhs-organisations-for-one-off-payments> [Accessed 25/01/24]

The methodology used to calculate this cost is based on the previously agreed approach to calculating AfC increases, in line with the approach taken by the NHS. As such the annual Net Cost Uplift Factor (CUF) was applied to the total contract value – this is basically a sum of CUF minus an efficiency factor (set by the NHS). The advantage of this method was that it simplifies the process and matches NHS methods.

There have been several iterations of the Net CUF this year – full details are available in the NHS England 2023/24 pay award: revenue finance and contracting guidance (updated version) document, but summarised in the table below:

**Table 1: Final updated Cost Uplift Factor (CUF)**

Cost	Original CUF (Version 1.0: 30 March 2023)			Interim CUF (Version 1.1: 11 May 2023)		Final CUF (Version 2.0: 7 August 2023)	
	Estimate	Cost weight	Weighted estimate	Estimate	Weighted estimate	Estimate	Weighted estimate
Pay	2.1%	68.9%	1.5%	4.5%	3.1%	5.5%	3.8%
Drugs	1.3%	2.4%	0.0%	1.3%	0.0%	1.3%	0.0%
Capital	4.0%	7.1%	0.3%	4.0%	0.3%	4.0%	0.3%
Unallocated CNST	1.5%	2.2%	0.0%	1.5%	0.0%	1.5%	0.0%
Other	5.5%	19.3%	1.1%	5.5%	1.1%	5.5%	1.1%
<b>Total CUF</b>			<b>2.9%</b>		<b>4.5%</b>		<b>5.2%</b>
<b>Efficiency factor</b>			<b>-1.1%</b>		<b>-1.1%</b>		<b>-1.1%</b>
<b>Net CUF</b>			<b>1.8%</b>		<b>3.4%</b>		<b>4.1%</b>
<b>Change from Original CUF (Version 1.0)</b>					<b>1.6%</b>		<b>2.3%</b>

A final CUF of 4.1% has now been agreed as shown above.

We are now aware that the ICB have provided funding to NUH (ISHS provider) in relation to the above – and that we believe this amount to cover the non-consolidated pay award and an increase of 1.8% (i.e the original net CUF).

On that basis, applying our previously agreed approach, an increase of 2.3% of total contract value would cover the difference between the original net CUF of 1.8% and the final net CUF of 4.1%.

**Other Options Considered and why these were rejected**

- Do not pay the uplift – National guidance has been released informing the LA of its responsibility to 2023/24 thus this option has been considered and rejected

**Reasons why this decision is classified as operational**

The total cost is within the limits of operational decision

**Additional Information**

Spend Controls were introduced following the S.114 notice on 29<sup>th</sup> November 2023 and this spending was authorised by the S.151 officer on 12/12/23, reference number 1282

**Decision Maker (Name and Job Title)**

Lucy Hubber, Director of Public Health

**Scheme of Delegation Reference Number**

17

**Date Decision Taken**

03 January 2024