

Report to:	Cabinet	Date of Meeting:	3 rd September 2015
Subject:	Contract Novation and Extension of Public Health Services	Wards Affected:	All
Report of:	Interim Director of Public Health		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To gain authorisation to enter into a novation agreement with the current provider and commissioner of the 0-5 public health services contracts, transferring those contracts to Sefton MBC with effect from 1st October 2015.

To mandate delegated powers for the Head of Regulation and Compliance to sign off the novation of the 0-5 public health nursing service contracts.

To authorise a review of existing 0-5 Public Health Services and to endorse the initiation of a tendering exercise to establish an integrated 0-19 Healthy Child Programme Contract (including Health Visiting and Family Nurse Partnership) to commence on 01 April 2016.

To gain delegated powers for the Director of Public Health to award the new integrated 0-19 Healthy Child Programme contract to the highest scoring bidder in accordance with the process set out in this report.

To note that officers will be undertaking reviews as detailed in the report

Recommendation(s)

Cabinet is asked to:

1. Authorise novation of the 0-5 public health nursing services contracts (Health Visiting and Family Nurse Partnership) from NHS England to Sefton MBC on the 1st of October 2015.
2. Delegate authority to Head of Regulation and Compliance to sign off the novation of contracts prior to transfer on 1 October 2015 (contract due to end 31 March 2016).
3. Authorise a review of the existing 0-5 Public Health Services and endorse the initiation of a tendering exercise to establish an integrated 0-19 Healthy Child Programme Contract (including Health Visiting and FNP) to commence on 1 April 2016.
4. Delegate authority to the Interim Director of Public Health and Chief Finance Officer

to award the contract to the highest scoring bidder(s) subject to financial sustainability.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		X	
2	Jobs and Prosperity		X	
3	Environmental Sustainability		X	
4	Health and Well-Being	X		
5	Children and Young People	X		
6	Creating Safe Communities	X		
7	Creating Inclusive Communities	X		
8	Improving the Quality of Council Services and Strengthening Local Democracy		X	

Reasons for the Recommendation:

The commissioning and provider environment, for a number of important child and women's health services, is shifting and requires a planned response to ensure the continued delivery of services that are economical, efficient and effective.

The following three contracts that contribute to improving health outcomes particularly in child health and development, maternal wellbeing are due to expire at various dates:

- Health Visiting
- Family Nurse Partnership
- School health

The combined annual value of these contracts is £5,552,787 (if you include IARC in the total?)

NHS England currently commission Liverpool Community Health to provide 0-5 Public Health Services including Health Visiting and Family Nurse Partnership (FNP) for families registered with Sefton General Practitioners. From the 1 October 2015, the Government intends Local Authorities take over this responsibility.

The current NHS England contract for Health visiting has an annual value of £3,875,370 and will expire on the 31 March 2016.

The current NHS England contract for Family Nurse Partnership (FNP) has an annual value of £288,730 and will expire on the 31 March 2016.

The School Health contract has an annual value of £1,388,687 and is due to end 31 September 2017.

Recognising the current cost of separately procured services and in light of the Council's reducing financial resources, it is anticipated that service improvements, cost efficiencies and added value might be gained from implementing a more integrated 0-19 Healthy

Child Programme Contract. This would involve a coordinated approach due to various contracts having different expiry dates.

The commissioning process will be subject to the OJEU Light-Touch Regime Open Procedure due to it falling within Schedule 3, Social and Other Specific Services. The value of the total contract (i.e. the core period plus any option years) will be over £625K and requires Cabinet authorisation and delegation to a Chief Officer to award the contract at the end of the tender process.

Alternative Options Considered and Rejected:

Cease service delivery

- A reputational and financial risk to the authority by the potential failure to perform its statutory duty to deliver public health services for children 0-5 years.

The implications of deciding not to procure an integrated Healthy Child Programme

- Contracts for FNP and Health Visiting will expire resulting in a lack of service provision for children and families.
- Opportunity to improve the service, gain cost efficiencies and add value will be lost

What will it cost and how will it be financed?

(A) Revenue Costs

The current annual costs of 0-19 public health nursing are set out in the table below

Contract	Outgoing £	Expiry Date
Health Visiting	3,875,370	30th September 2015
FNP	288,730	30th September 2015
School Health	1,388,687	30th September 2017
Total of outgoing contracts	5,552,787	

To control risk in terms of affordability of the future service, an indicative ceiling price will be set in the tendering process, informed by the service reviews referred to within this report.

The cost of the contract novation and extensions will be met from within the Public Health budget allocated for this purpose. There would be no additional in year costs with regard to the council extending the contracts.

- For the second half of 2015-16, the public health grant will include an additional half-year's cost of commissioning 0-5 children's public health services. From April 2016, the full-year public health grant will include money for all public health responsibilities transferred to Local Authorities from 1 April 2013 including 0-5 public health services.
- The allocation for the **6 month period 1st October 2015 to 31st March 2016** is £2, 216, 000

- The review of the existing 0-5 Public Health Services, specification and new contract will take into consideration the Department of Health allocation set for 15/16 that takes account of:
 - CQUIN (Commissioning for Quality Innovation) service improvements
 - Inflation
 - Commissioning costs
 - Minimum floor setting - The Department took the decision to support Local Authorities falling at the bottom of the funding distribution by putting in a minimum funding floor of at least £160 per head of 0-5s adjusted spend in 2015-16 (based on full year cost of commissioning).
- The Advisory Committee on Resource Allocation (ACRA) is developing its proposals for the formula for 2016-17 Local Authority public health allocations, which will include the 0-5 children's services component.
- Final 2016-17 allocations will be dependent on the amount of funding announced for public health in the 2015 Spending Review and on the fair shares formula developed following advice from ACRA.

(B) Capital Costs

There are no additional costs

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	
The recently announced in-year cuts to Public Health Grant Funding for 2015/16 have still not been finalised but the potential budget reduction for Sefton Council will be approximately £1m - £1.3m (depending upon the outcome of the consultation exercise over how cuts should be calculated). This reduction in Public Health funding and the uncertainty of funding in 2016/17 onwards, combined with further austerity savings to be found in Public Sector Spending, means that there are serious risks as to whether any new contractual agreements will be affordable in future years.	
Also there is a need to consider any potential tupe implications.	
Legal	
Human Resources	
Equality	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

Service delivery would continue as planned.

What consultations have taken place on the proposals and when?

The Chief Finance Officer has been consulted and comments have been incorporated into the report FD3711/15.

Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. LD2994/15.

Implementation Date for the Decision

Following the expiry of the “call in” period for the minutes of the Cabinet Meeting.

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Background papers:

There are no background papers

1. Background

1.1 From the 1st October 2015, the Government intends that Local Authorities take over responsibility from NHS England (NHSE) for commissioning public health services for children aged 0-5. This includes the universal health visiting service and the targeted Family Nurse Partnership. The commissioning of Child Health Information Systems and the 6-8 week GP check (also known as Child Health Surveillance) will not transfer.

1.2 The Healthy Child Programme (HCP) is the early intervention and prevention public health programme that lies at the heart of universal services for children and families. The HCP is based on a model of 'progressive universalism'. This means all families receive a number of standard services (universal). Additional services are available to those who need them or are identified as being at risk. Pregnancy to 5 years is when the foundations of future health and wellbeing are laid down. At this stage the programme is delivered by health visitors, midwives, children's centre staff and partners in primary and community care.

1.3 Here the HCP aims to

- Help parents develop a strong bond with children
- Encourage care that keeps children healthy and safe
- Protect children from serious diseases, through screening and immunisation
- Reduce childhood obesity by promoting healthy eating and physical activity
- Encourage mothers to breastfeed
- Identify problems in children's health and development so that they can get help with their problems as early as possible.
- Make sure children are prepared for school

1.4 The Government intends to mandate certain elements of this programme : Antenatal health promoting visits, new baby review, 6-8 week assessment, 1 year assessment and 2-2 ½ year assessment.

1.5 There are four tiers of health visiting services which assess and respond's to children's and families individual needs

- *Community Services* – linking families and resources and building community capacity
- *Universal Services* – primary prevention services and early intervention provided for all families with children aged 0-5 as per the HCP universal schedule of visits, assessments and developmental reviews.
- *Universal Plus Services* – time limited support on specific issues offered to families with children aged 0-5 where there has been an assessed or expressed need for more targeted support.
- *Universal Partnership Plus* – offered to families with children aged 0-5 where there is a need for ongoing support and interagency partnership working to help families with continuing complex needs

1.6 The Family Nurse Partnership is a targeted, evidenced based, preventative programme for vulnerable first time young parents. It involves structured home visits, delivered by specially trained family nurses. The FNP is a licensed programme and

therefore has a well-defined and detailed service model, which must be adhered to. This includes commissioning FNP so that any child who begins the programme completes it through to age two. When a mother joins the FNP programme, the HCP and the five mandated elements are delivered by the family nurse. The family nurse plays an important role in any necessary safeguarding arrangements alongside statutory and other partners to ensure children are protected.

2. Transfer

2.1 A number of multiagency partnership groups have been working since October 2014 to oversee the safe transition of commissioning. At a Merseyside level, NHSE lead a Health Visiting assurance board that aims to ensure a collaborative approach to oversight, management and governance of both health visiting and FNP during the transition. The 0-5 Strategic Leadership Group, chaired by Sefton Council Chief Executive provides strategic assurance that councils across Merseyside are prepared to receive the commissioning responsibility. A Sefton operational group, chaired by public health, has briefed local stakeholders and NHS England have health multiagency stakeholder events. At point of transfer the Council has been assured that there is sufficient health visiting capacity to deliver the service required by Sefton residents and the funding profile for the 15/16 contract.

2.2 The changing commissioner and provider environment of child health service requires a planned response to ensure the continued delivery of services that are efficient and effective. In addition it provides an opportunity to review existing services and explore opportunities to ensure resilient and effective service maximises benefits for families through service redesign. This includes developing an integrated 0-19 years Public Health and care model.

2.3 The HCP for 5-19 year olds demonstrates how health, education and other partners working together across a range of settings can significantly enhance a child or young person's life chances by supporting children to be healthier, happier and able to take advantage of opportunities that will help them reach their full potential. The Council is already responsible for commissioning core health, that is school nursing service, education and children's services and so has the opportunity to commission a fully integrated 0-19 HCP.

3. Integrated Commissioning for 0-19 years Public Health and Care services

3.1 It is proposed to review existing services and develop a comprehensive service model and specification to be commissioned and procured under the OJEU Light-Touch Regime Open Procedure. Approval is requested for Chief Officer delegated authority to award the contract at the end of the tender process.

3.2 The basis of the tender evaluation to be applied would be 30% price and 70% quality, with 20% of the latter being reserved for the interview process.

3.3 To control risk in terms of affordability of the future service, an indicative ceiling price will be set in the tendering process, informed by the service reviews referred to within this report.

3.4 It is proposed that at the end of the procurement process, 5-year contracts with the

option to extend for up to a further 2 years will be entered in to with Providers. This should provide for better service stability and reduce commissioning/procurement costs by reducing the frequency of the procurement process. The contracts will however include clauses that can be activated in the event the Council needs to vary the contract or terminate the contract early. This is in line with legal advice regarding best contracting practice.

3.5 Variation clauses will allow the Council to vary the contract accordingly in the event that the level of funding available changes from that set out in the initial contract.

3.6 To ensure a safe and smooth transition from existing to new services, the Director of Public Health wishes to reserve the right to delay the start date by up to 3 months depending on the complexity of any potential TUPE transfers and/or contract implication. This may involve extending some outgoing contracts by up to 3 months.

3.7 Integrated 0-19 Healthy Child Programme Indicative Procurement timetable

- Cabinet Approval – Thursday 03 September 2015
- Publish OJEU notice Thursday 24th September 2015
- Invitations to Tender (ITT) – published on the Chest on Monday 28th September 2015, with a return date of Noon Thursday 29th October 2015
- Evaluation and interviews will be completed by Wednesday 02 December 2015 and highest scoring bidder(s) will be selected
- Chief officer (Director of Public Health) sign off Award Friday 04 December 2015
- Letters to unsuccessful bidders 04 December 2015
- Letter of intention to award 04 December 2015
- 10 day stand still
- Award Contract 14 December 2015