

TITLE: CONTRACT AWARD FOR NEWLY TRANSFERRING 0-5 PUBLIC HEALTH SERVICE

CONTRACT APPROVAL

SPECIAL URGENCY

**DECISION OF THE EXECUTIVE
MAYOR**

CLASSIFICATION:

Open

**If exempt, the reason will be listed in the
main body of this report.**

WARD(S) AFFECTED

All Wards

CABINET MEMBER

Cllr McShane

Health, Social Care, and Culture

KEY DECISION

Yes

REASON

Affects Two or More Wards

CORPORATE DIRECTOR

Kim Wright, Corporate Director of Health and Community Services

REASONS FOR SPECIAL URGENCY:

Regulation 11 of the Local Authorities Executive Arrangements (Meetings and Access to Information) (England) Regulations 2012.

This item is to be considered under the Council's Urgency Procedure.

The reasons for urgency are:

The services covered in this report include statutory services which transfer to local government control on 01 October 2015 from NHS England.

As part of the transfer, the Council is not able to select new Providers but is required to honour the existing cash envelope and contract for at least a period of six months. The responsibility shifts to the Council on 01 October 2015 and final details regarding budget and service delivery have only recently been clarified and resolved.

The Council requires contracts to be issued, to support effective contract management and effective delivery of health visiting and family nurse partnership services to children aged under 5 and their families.

The services work closely with safeguarding and child protection teams, as well as the wider health workforce including doctors and GPs.

Consideration of the item cannot reasonably be deferred.

1. CABINET MEMBER'S INTRODUCTION

- 1.1 In April 2013, responsibility for the commissioning of the majority of Public Health Services transferred to the local authority. This included the provision of a range of health promotion and early intervention services as well as treatment services. It did not include the transfer of the commissioning responsibility for public health services for children aged from 0 to 5 years old (0 – 5s Public Health Services), which will transfer in October 2015.
- 1.2 The transfer of the commissioning responsibility for 0 - 5s Public Health Services, which incorporates the Health Visiting Service and the Family Nurse Partnership, along with associated budget is a unique opportunity to review the services for our young residents, to build on the strong practice in the borough and ensure there is integration of health services with our Children's Centres and Social Care - offering joined up services at places and times that suit local parents and support our young children.

- 1.3 In July, CPC granted approval to commence a procurement for Health Visiting Services. The aim here is to focus on developing meaningful engagement with local parents and their children to improve the achievement of positive outcomes. This report seeks approval to contract with the incumbent service Providers, appointed by NHS England, to continue safe delivery of 0-5s public health services until new contract arrangements have been put in place.

2. CORPORATE DIRECTOR'S INTRODUCTION

- 2.1 The transfer of the commissioning responsibility for 0 - 5s Public Health Services incorporates two services: **1. Health Visiting Service** which delivers the Healthy Child Programme (HCP): the early intervention and prevention public health programme issued by the Department of Health. This programme is at the heart of the universal health visiting service for children and families.
- 2.2 With the transfer, national government has mandated five key universal elements of the HCP. These are:
- Antenatal health promotion review
 - New baby review
 - 6-8 week assessment
 - 1 year assessment
 - 2½ half year review
- 2.3 Also being transferred is: **2. Family Nurse Partnership**. Like the HCP, this is an evidence based programme but the target group is more specific, addressing the needs of young mothers, aged under 20. This is an intensive programme which again seeks to support and improve outcomes for children.
- 2.4 The transfer in of these services means that the local authority is now able to join up strategy in the commissioning for services for children and young people aged 0 -19, improving continuity for all.
- 2.5 Plans have already been developed to take the Health Visiting Service out to procurement, with CPC agreeing this in July 2015.
- 2.6 An open procurement exercise was undertaken with NHS England for the Family Nurse Partnership in November 2013, and so a contract will be awarded to Whittington Health, on an annual basis in line with the original length of contract, of three years.
- 2.7 This report seeks to award the existing Providers of these 0-5 health services a London Borough of Hackney contract using the existing NHS specification to ensure that there is continuity of services delivery for the c.20,000 children and their families they are designed to

support, and also to ensure that the Council is able to effectively performance manage the Providers.

3. RECOMMENDATION(S)

The Executive Mayor is recommended to award a contract to the existing Providers of the following services:

- 3.1 Homerton University Hospital NHS Foundation Trust to deliver a Health Visiting Service for a period of 9 months at a cost of £5,863,500. until 30 June 2016.**
- 3.2 Whittington Health to deliver Family Nurse Partnership for a period of 13 months, at a cost of £379,167. Until 31 October 2016.**

4. RELATED DECISIONS

- 4.1 A report seeking to commence the procurement of 0-5s Health Visiting Services was approved by CPC on 14th July 2015. The procurement was approved and is currently underway with contract award due before CPC in early 2016.

5. REASONS FOR DECISION/OPTIONS APPRAISAL

- 5.1 The Health and Social Care Act 2012 and Children and Families Act 2014 places a statutory obligation on the Council to provide certain public health services. The services in this report are currently the responsibility of the NHS to deliver; from October 2015 this responsibility will transfer to the Council.
- 5.2 Health Visiting Services and the Family Nurse Partnership are currently commissioned by NHS England until the end of September 2015. The Council had the option to either novate existing contracts, or issue new contracts on LBH terms and conditions. The latter option has been chosen and the Council will issue a contract with the current providers on the Council's terms and conditions. This will be for a nine month period for the Health Visiting Service and a thirteen month period for the Family Nurse Partnership.
- 5.3 Staff have been preparing for transfer, reviewing the national guidance and available data to understand the requirements of our young population to ensure that the Public Health function in Hackney is well thought out and delivered to ensure good health and well-being outcomes for local people.

- 5.4 The commissioning and procurement cycle for Health Visiting Services has already commenced, with a procurement plan and new specification outlining the priorities. These priorities have been developed in partnership with key stakeholders including the Hackney and City Clinical Commissioning Group. The new service is due to start on 01 July 2016.
- 5.5 The current Provider of the Family Nurse Partnership took part in a procurement exercise carried out by the Council in 2013, and so the service here will receive a contract which aligns with the contract length advertised. A 13 month contract will be issued, starting October 2015.
- 5.6 The extensions supports the Council to meet its new duties and obligations as set out by the Health and Social Care Act 2012 and the Children and Families Act 2014, to protect and improve the health and wellbeing of local children.

5.7 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 5.7.1 **Option 1, decommission:** The delivery of Public Health Services for 0-5s is a new statutory duty for the Council - working with children in the early years of their life is key to influencing later life chances. Also, this would mean that children in the borough would be missing out on the Healthy Child Programme and would mean that issues were not being addressed early on, and would lead to an adverse impact and demand on local partner services such as Hospital Accident and Emergency departments and Social Care.
- 5.7.2 **Option 2, in house service:** This is not viable as it would be an expensive option to hire the specialist qualified staff and clinical supervision and insurance needed to deliver the service.

6. PROJECT PROGRESS

6.1 Developments since the Business Case approval.

Not applicable.

6.2 Whole Life Costing/Budgets:

- 6.2.1 The annual value of the Health Visiting contract is currently £7,818,000. This will mean a contract is required for nine months, at a cost of £651,500. per month, or £5,863,500 until the new contract is let (due to commence 01 July 2016).

6.2.2 The annual value of the Family Nurse Partnership contract is £350,000. The contract for this provision will be for a 13 month term, at a price of £379,167.

6.2.3 Both contracts will reflect these values, and will include a clause which states that if funding is either reduced or ceased, this will directly impact the value and duration of the contract helping us to manage any possible required savings or cuts.

6.2.3 The budget for these two services is to be transferred to the local authority from October 2015. This budget includes a contribution of £150,000. from the City of London, who share many of the contracts in the Public Health portfolio.

6.3 SAVINGS

6.3.1 No savings are applicable for this service. The funding will be transferring from NHS England.

7. SUSTAINABILITY ISSUES

7.1 Equality Impact Assessment and Equality Issues:

7.1.1 The 0-5s service will not have any adverse impact in terms of equalities. The provision is universal and will proactively seek to reach out to all community groups and parents of young children.

7.1.2 The current providers are required to target hard to reach and vulnerable groups. This is both explicit in contract documentation and will be monitored at regular contract performance review meetings.

7.2 Environmental Issues:

7.2.1 The recommendations in this report will cause no new impacts with the physical and social environment.

7.3 Economic Issues:

7.3.1 There is a key risk around de-stabilising provision during the transition which is mitigated by giving clear messages around the extension of current contracts and arrangements until we are through the current transition and current procurement process.

8. TENDER EVALUATION

8.1 Evaluation:

- 8.1.1 None. The commissioning responsibility for these services is new to the Council, and transfers from 01 October 2015.
- 8.1.2 The procurement of Health Visiting Services is underway and will be completed by June 2016, with the intention of a new contract and service starting on 01 July 2016.
- 8.1.3 A tender process for Family Nurse Partnership was undertaken by Hackney and City of London with NHS England, and contract award was made by NHS England. A contract lasting the term of this arrangement, until October 2016, will be issued.

8.2 Recommendation:

- 8.2.1 As stated above, in 8.1, the recommendation is to award two contracts on London Borough of Hackney terms and conditions to ensure the safe transfer of 0-5 public health commissioning responsibility to the Council.
- 8.2.2 A nine month contract is recommended for Homerton University Hospital NHS Foundation Trust to continue delivery of the Health Visiting Service, until 30 June 2016, when a new contract will be let.
- 8.2.3 A thirteen month contract is recommended for Whittington Hospital to continue delivery of the Family Nurse Partnership, in line with the original contract term. This service was procured by London Borough of Hackney in partnership with NHS England in 2013, and the contract was awarded at this time by NHS England directly, as the commissioner and budget holder.
- 8.2.4 Both providers will be issued with contracts stating new terms and conditions, which mirror the other contracts issued by the Council's Public Health team. The specification and KPIs will be informed by the national specifications.
- 8.2.5 NHS England have also informed us that no significant contractual or financial changes can be made within the first 6 months of the contracts transferring.

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

- 9.1.1 The two services will be managed by the Public Health team, who are already actively involved in both service areas, and steering the local management of the Family Nurse Partnership. This is being done in conjunction with the Head of Early Years helping to ensure that we are offering families joined up services.

9.1.2 As a minimum, there will be regular quarterly monitoring meetings to discuss performance and there will also be a stakeholder board or forum to collect the views of other agencies, for example Children’s Centres, the Hackney and City Clinical Commissioning Group as well as relevant departments of the City of London.

9.1.3 The Council is required to report on certain KPIs to NHS England to inform the Early Years Minimum Dataset and this will be completed in conjunction with the Providers.

9.2 Key Performance Indicators:

9.2.1 The KPIs below demonstrate what will be reported by the Homerton University Hospital NHS Foundation Trust Hospital for the Health Visiting service. The KPIs below relates to strategic and local objectives and include reporting on whether the borough has an adequate number of Health Visitors to cover Hackney and The City of London.

Health Visiting KPIs	Monitoring
1. Health Visitor Growth – number of health visitors in post	Reported monthly to the HSCIC via Omnibus (Health Visitor Minimum Dataset)
2. Health Visiting service equipped for delivery	Quarterly reporting to Public Health (at present this is to NHS England)
3. Service offer metrics	Quarterly reporting to Public Health (at present this is to NHS England)
4. Breastfeeding	Quarterly reporting to Public Health (at present this is collected centrally)
5. Health Visitors identifying families at risk of poor outcomes	Quarterly reporting to Public Health (at present this is audited)
6. Safeguarding	Quarterly reporting to Public Health (at present this is audited)
7. Annual audit of 50 randomly selected cases in each category	Quarterly reporting to Public Health (at present this is audited)
8. CQC Qualified Health Visitors	Quarterly reporting to Public Health (at present this is audited)

9.2.2 The KPIs below outlined the requirement from the Family Nurse Partnership Service. As the service targets young parents within the borough, the KPIs help to monitor issues tackled by the service such as smoking cessation, increased breastfeeding and healthy child development. The KPIs also focus on the parent’s life course development which can impact on other issues such as mental health, education and employment.

Main KPI Targets Set	Monitoring
1. Reduction in smoking during pregnancy.	Reported quarterly, showing progression at 6 weeks, 6 months and 1 year.
2. Increased breastfeeding	Reported quarterly, showing progression at 6 weeks, 6 months and 1 year.
3. Reduced premature and low birth weight babies	Reported quarterly, showing progression at 6 weeks, 6 months and 1 year.
4. Improved child health and development	Reported quarterly, showing progression at 6 weeks, 6 months and 1 year.
5. Maternal life course development	Reported quarterly, showing progression at 6 weeks, 6 months and 1 year.

10. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

- 10.1 This report seeks approval to transfer two NHS England contracts to the Council in response to Department of Health decision to join up services for children under 5 with commissioned services for 5-19 year olds under Public Health function from October 2015.
- 10.2 Funding for 0-5 services in the current financial year is confirmed at £4,084,000 for the half-year period October 2015 to March 2016. This is made up of £4,024,000 in Public Health grant for the Council, plus £75,000 for City of London under 5 services to be commissioned in partnership with the Council.
- 10.3 The timeline for the two service contracts straddles this financial year and next, as shown below, at a total cost of £6,242,667.
- Healthy Children Programme – 1 October 2015 to 30 June 2016
 - Family Nurse Partnership - 1 October 2015 to 31 October 2016

Under 5's Public Health Service	Total Cost	2015/16	2016/17
Health Children Programme	5,863,500	3,909,000	1,954,500
Family Nurse Partnership	379,167	175,000	204,167
Total	6,242,667	4,084,000	2,158,667

- 10.4 At this stage there is no confirmation of 2016/17 Public Health grant allocations. The transfer of two contracts with Homerton University Hospital NHS Foundation Trust (£5,863,500) and Whittington Health (£379,167) hospitals are supported as the arrangement fits with DH transition guidelines. It is advised any reduction to 2016/17 budget allocation will require corresponding adjustments to service contract costs from April 2016 in order to keep within the cash envelope.

11. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

- 11.1 The Executive Mayor is asked to agree the recommendations in paragraph 3 of this Report in relation to the award of contracts for the Health Visiting Service and the Family Nurse Partnership.
- 11.2 The two contracts in this Report transfer to the Council on 1st October 2015 and the Council is due to fund them from public health budgets as a result of changes made under the Health and Social Care Act 2012. For the reasons set out in this Report it has not been possible to procure these in the short term by undertaking a competitive procurement procedure. Therefore in order to ensure continuity of service provision it is proposed that the Council extend the two contracts for periods commencing on 1st October 2015. Procurement processes for the long term provision of the services are either underway or will commence shortly, but in the meantime the extension of the existing contracts is proposed.
- 11.3 This decisions in this Report are made in accordance with the provisions of paragraph 17 (Cases of Special Urgency) of the Council's Access to Information Procedure Rules.

12. COMMENTS OF THE DIRECTORATE PROCUREMENT MANAGER

- 12.1 The report recommends the Mayor to award the two contracts for Health Visiting Service and Family Nurse Partnership to Homerton University Hospital Foundation Trust and Whittington Health for the values of £5,863,500. and £379,167. and the periods of nine months and thirteen months respectively.
- 12.2 As outlined in the report, these are statutory services under the Health and Social Care Act 2012 and Families Act 2014 being shifted under the Public Health Transition to the Council. The procurements and the onward arrangements are already underway for Health Visiting Service to be resumed under Council specification from July 2016 and the Family Nurse Partnership was originally commissioned by the Council on behalf of Public Health which under current arrangement runs out in October 2016. Beside the above, the services need to remain under

the public health terms for a minimum of six months period post the time of transition.

- 12.3 These statutory contracts are essentially bridging the gap between the transition period to the point where Council can roll out indigenously competitively procured contracts. Cessation of this service will impact all wards of the council and circa 20,000 clients currently using the service.

APPENDICES

None.

BACKGROUND PAPERS

None.

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